

TOURISM DEVELOPMENT IN LESS DEVELOPED COUNTRIES:

The Case of Cambodia

Leung Kin Hang, Paul

**A thesis submitted in partial fulfilment of the requirements of
Bournemouth University for the degree of Doctor of Philosophy**

May 2004

BOURNEMOUTH UNIVERSITY

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Abstract

The United Nations Research Institute of Social Development (UNIRSD) published a monograph after their workshop in Geneva 1994 on the development of Cambodia. Among the various issues the workshop revealed the pressing need for research regarding the post-conflict economic strategy, the socio-psychological effects of the war, appropriate forms of foreign aid and delivery mechanisms, and the roles and responsibilities of different types of local, national and international institutions involved in processes of rehabilitation and reconstruction. In response to this fundamental quest for knowledge, this study is designed to investigate the development of tourism in the war-torn Cambodian economy in the mist of poverty and social problems. International intervention and assistance, the role of government and the Third Sector¹, and community participation are key embedded units for the study. The thesis also intended to examine the appropriateness of the approaches employed by the government and international aid in promoting tourism. Although this thesis focused on Cambodia, findings and discussions are highly relevant to other less developed countries (LDCs), especially those having a background of war and/or civil turmoil. The thesis also addresses questions related to tourism as a development agent for economic growth, social rehabilitation and political development. For example:

- How can tourism serve to reactivate processes of economic growth and social development without seriously affecting the allocation of resources and current structure of the economy?
- How can tourism development be activated given the contextual limitations?
- Why should government intervene in the development process and how does one ensure the results will be accomplished with minimal disturbance to the social system?
- What kind of new social problem(s) and/or distortions in the economy, if any, have been induced by tourism and/or the liberalization of the economy?

The delimitation of the study to tourism is for practical reasons. On the one

hand, it is impossible to investigate the situation in Cambodia and make meaningful recommendations without refining the scope of study. Tourism, on the other hand, is the world's largest single industry and one on which many countries have pinned their hopes. It is renowned for its ability to generate income, to attract foreign investment, to create employment and as some including the World Tourism Organization and the Pope John Paul II even argue for its capability to promote peace². This thesis developed a tourism system model by theoretical induction making use of Cambodia as the subject of study. The ultimate vision of the study is to enhance the body of knowledge and thus to capitalize tourism as a development agent for the rehabilitation of a war-torn economy and social institutions to fight both poverty and marginalization.

The findings of the study revealed the most current situation in Cambodia by applying the model of the tourism system and the model for tourism development proposed. The proposition that free-market capitalism might not work for less developed countries was tested and proved to be valid.

This thesis revealed the barriers and potential of tourism as a development agent for LDC by using Cambodia as the subject for investigation. Specific recommendations were given. Although it might seem controversial given the difficulties as illustrated in the analysis, Cambodia has very limited option for development. The thesis also argued that many obstacles in the development are administrative. Once the problems were addressed, a significant increase in demand can be expected.

This study attempts to provide answers to developmental questions. However, more questions and gaps in knowledge emerged in the process of the study. This study, as originally designed, is not an end in itself but a stepping-stone to further studies. To conclude, allow me to cite the words of Joan Healy, Overseas Service Bureau Australia, "to understand the meaning of this time we do well to see it through the experiences and aspirations of ordinary Cambodians. Then our questions change. We ask about ways they see to ease suffering and contribute to peace. We face the fact that we do not know so many answers."³

Keywords: Cambodia, Tourism and Development

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- 1 Third sector compsed of non-profit, voluntary, non- or quasi-governmental organizations, including charitable institutions, churchs, and community associations (Laville, 2000; Gidron, Kramer and salamon, 1992; and Badelt, 1990).
 - 2 See also Kim and Prideaux (2003); Göymen (2000); Prideaux (1997); Ap and Var (1990); Kim and Crompton (1990)
 - 3 Cited in UNIRSD monograph Geneva 1994

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Personal Statement

Although tourism and Cambodia have long been my area of interest, there are three particular reasons for me to select this subject for my PhD thesis. First, Cambodia is the least researched area in the region, thus enabling me to develop a comparative advantage by investigating the subject and filling the gap in knowledge. Second, my uncle, at that time, owned a garment factory near Phnom Penh and I thought I could make use of this convenience to conduct my study though my perception proves inappropriate later. Third, I wished I could contribute not only to the body of knowledge but also to the welfare and betterment of the Cambodians who have suffered poverty and insecurity.

I acknowledge that it would be too arrogant for me to think that my research could make any difference to the lives, livelihoods and sufferings of the millions of Cambodians. I, however, sincerely wish this research can serve as a stepping-stone for further investigation and contribute to the development of a better plan for this and many other less developed nations to cope with poverty and developmental issues.

My research process has been tedious and painful. The extreme lack of information and resources; the uncooperativeness of some officials; the poor working environment in the field; the language barrier and the lack of security during the site visits are a few obstacles I have had to overcome. Yet, compared to the poverty, endemic diseases, crimes and natural disasters that the Cambodians have to endure, my obstacles are negligible.

I have selected to adopt a case study approach with multiple embedded units for analysis. The selection of embedded units is based on the principle to include as many relevant aspects as possible. I was fully aware of the risk of spreading too wide and too thin on the many aspects I would be covering. Given the multi-disciplinary nature of tourism, any compromises might lead to premature decisions. I understand that it is virtually impossible for a thesis and even a tourism plan to incorporate everything into an analysis. I, therefore, have decided to discriminate and forego those indirect action environments from their direct action counterparts. In the determination process, I have consulted both academia

and practitioners for inputs and comments. Given that tourism extends its impact into various layers of the social fabrics, the targets for consultation have also been extended to include sociologists, anthropologists, social development planners, social workers, government officials and politicians, educators, and international agents.

In writing the thesis, I adapted the persona, very much influenced by Howard S. Becker, that I am just an ordinary individual who happened to have selected the topic, taken the trouble to be there, seen things and is now telling readers about my experiences and thoughts. I have tried to tell the story using the “I-and-the-reader know in common” approach and to avoid unnecessary jargons and typologies. I have foregone the personal pronoun in favour of objectivity in presentation. The analysis of data in the thesis, however, has an interpretive orientation.

acknowledgement

This thesis would not have been possible without the help of a number of people to whom I would like to express my gratitude.

First and foremost, I would like to thank Professor Stephen Wanhill for his professional guidance and patience with my enormous questions and lengthy drafts. It has been my honour to be a student of such a distinguished scholar blessed with such a great wealth of academic and professional knowledge, enthusiasm and ambition.

Secondly, I would like to thank my co-supervisors Dr. Adele Ladkin and Professor Peter A. Jones. They have kindly offered their time and guidance throughout my study. Their advice, direction and assistance have been formative in the completion of my study.

Thirdly, Dr. John Ap and Professor Walter Jamieson have unselfishly sacrificed their time and invested much effort in guiding my study. I must also thank Dr. Bob McKercher for his kind assistance and advices.

I would also like to thank critical key informants and advisers for their input and support. They include Professor Malcolm Falkus, World Bank Consultant to Cambodia; Mr. Ryuji Yamakawa of UNESCO; Prince C. Sisowath of Cambodia MoT; Ms Cherie Tan; Ms Chung Chansophea of APSARA Tours; Dr. Varma and Mr Xu Jing of WTO; Dr. Duncan Gibson; and many more that I cannot include in the list here. I also extend my gratitude to the list of informants who have attended the group discussions and interviews sessions. Without their kind participation, my study would not be possible (see Appendix D).

Last but not least, I would also like to extend my sincere thanks to various local assistants, especially Sakal, who have made my research feasible.

Chapter 1: Introduction

In recent years, tourism has become a key factor, at times the only possible factor, in the revitalization of underdeveloped regions and the marginal zones (Fernandes, and Delgado-Craividão, 1997; WTO, 1993 and 1998) because of its comparative strengths in income and employment generation; perceived environmental friendliness; and promptness to take off in even difficult situation. “It has been adopted by various agents (public and private) and applied through various mechanisms (development plans, programmes, urban planning, strategic planning, etc.), corresponding to the regional and sectoral policies drawn up for the development of these zones and the eradication of territorial marginality. The role assigned to tourism justifies, therefore, the attention, which we shall pay to tourist planning and policies as an illustration of changes that are concurring in the role of public administration as regards regional interventions.” Francisco López-Palomeque (cited in Jussila, Majoral and Delgado-Craividão, 2001:161)

INTRODUCTION

*“As of late 1999, the outlook for Cambodia has seldom been better...
But dark clouds loom on the horizon.” (Business Asia, 1999⁴)*

This thesis is about tourism and development of less developed countries using the Royal Kingdom of Cambodia, generally referred to as Cambodia, as the subject for the case study. It has two primary missions: 1) to develop a model of the tourism system for a less developed country (LDC) context and 2) to assess the potential of and barriers to tourism development in Cambodia by applying the model. A secondary objective is to investigate the potential of tourism as a development agent and a solution to poverty. The thesis also questions the appropriateness of free-market capitalism and the laissez-faire principle to LDC's development.

This thesis is built on three propositions:

- Tourism is an alternative social and economic development agent in the setting of an LDC;
- The demand driven free market capitalistic approach is not appropriate for LDCs given their contextual constraints. In other words, a

“collaborative touristic economy” might be preferable; and

- Tourism is a system that incorporates and intertwines with other elements of a community (e.g. social, political and religious environment).

As an introduction to the thesis, this chapter will focus on objectives and justifications for the research. It will also briefly describe the research design, the conceptual framework, the subject Cambodia, and a brief outline of the thesis.

A model of tourism system in LDCs

One of the research objectives is to develop a system model for tourism in LDCs. Although a single trajectory model is infeasible (Haynes 1996:13), generalization is not relevant to this thesis. The model is a soft systems model that incorporates dynamic illustrations of the interacting factors. It stresses the questions of how and why systems work rather than what factors constitute the system. This model should facilitate further research of other destinations. In other words, alternative and fine-tuning in application are critical. An additional point is that despite the uniqueness of every LDC destination, underlying dimensions of underdevelopment and associated problems are relatively common.

Tourism

“Does tourism help improve the living conditions of poor people? It can bring hard currency to a country, a flow of ideas and investments, and roads and services might improve. Yet, it doesn’t come without a cost: environmental problems, exploitation of workers, and sex tourism are common – in Cambodia, there are over 10,000 child sex workers, many of whom are very poor.” Edward Liew, My Favourite Thing, Oxfam, 2002.

Tourism is one of the most significant social phenomena of the past two hundred years (Baum, 1996). It is the world’s largest industry and is expected to retain its leadership till the mid-21st century⁵. Arrivals increased from just 25 million in 1950 to 664 million in 2000, reporting a seven per cent average annual growth rate (WTO 2000). In 1998, the total international tourism receipts and passenger transport amounted to more than US\$504 billion⁶, surpassing all other

major categories of international trade (see table 1.1). It created 115 million direct tourism jobs worldwide, accounting for 4 per cent of the world total number of jobs. It created jobs 1.5 times faster than the world average during the last 15 years ⁷. Richter (1989) estimated, “over 125 countries consider tourism a major industry, and [in] nearly one third of those countries, [tourism] is a leading industry, a top earner of foreign exchanges, and a critical source of employment.”⁸

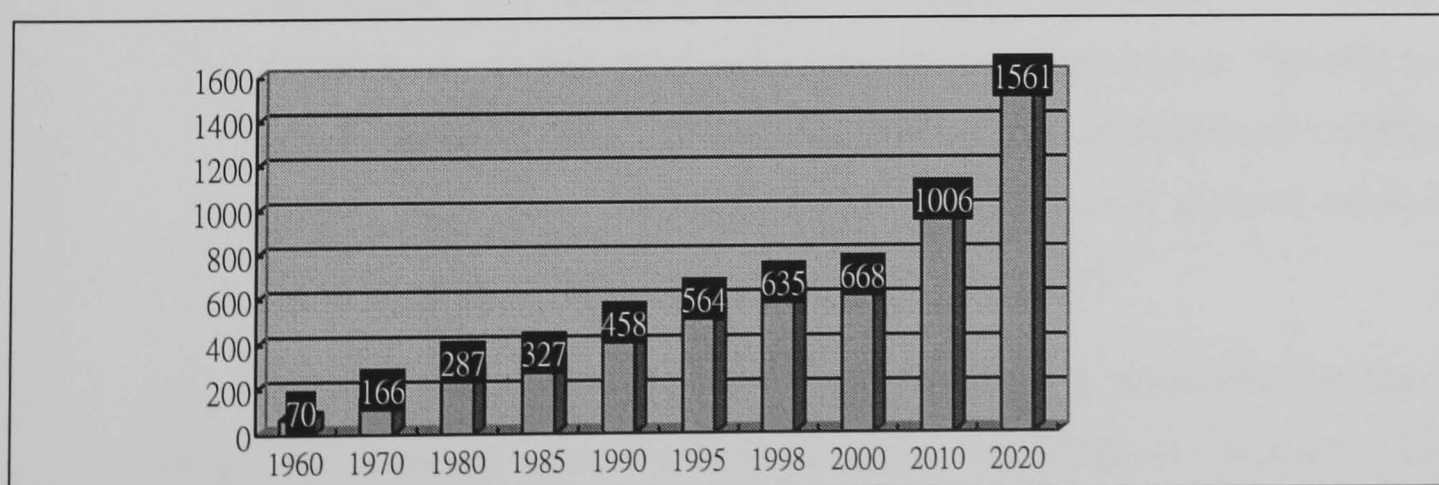
Table 1.1: Tourism earnings compared to other trade sectors, 1998

International tourism	US\$504 billion
Automotive products	US\$ 496 billion
Chemicals	US\$ 490 billion
Food	US\$ 458 billion
Petroleum and other fuels	US\$ 435 billion
Computers and office equipment	US\$ 394 billion
Textiles and clothing	US\$ 332 billion
Telecommunications equipment	US\$ 279 billion
Mining products	US\$ 163 billion
Iron and steel	US\$ 141 billion

Source: International Monetary Fund (in WTO, The Economic Impact of Tourism)

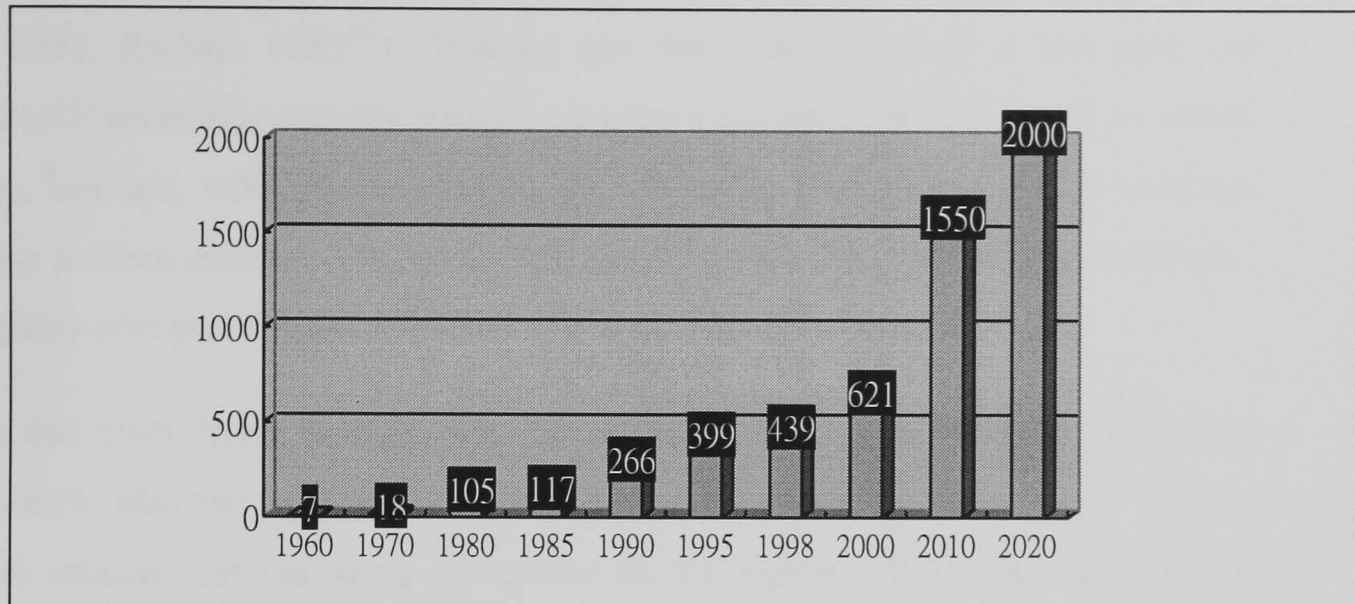
WTO projects that tourism’s growth will continue at an aggressive rate. By 2020, tourist arrivals and international tourism receipts will be 1.6 billions and US\$2,000 billion respectively. As a result, tourism has been identified by many nations, especially LDCs, as a key economic activity for foreign exchange earning and as a solution to poverty.

Figure 1.1: International Tourist Arrivals (in millions)



Source: WTO

Figure 1.2: International Tourism Receipts (in US\$ billions, excluding airfares)



Source: WTO

Tourism is a huge, intensely competitive industry, which has acute social consequences (Richter 1989). It is a complicated economic, social and political subject and is not detachable from its complex contextual environment. It affects and was affected by environmental factors. Various incidents and cases, such as the political unrest in the Philippines, Indonesia and Malaysia, tourist accidents, terrorism, the degradation of Pamukkale in Turkey, the damages to Angkor Wat, and child prostitutes in Thailand and Cambodia suggested that sustainable development and preservation of environments requires effective planning, policies and control. In other words, tourism development has to be planned and managed.

Tourism as a Development Agent

“The Royal Government would promote the development of tourism and make it to become tourism of culture and nature. It would heighten the private and public investments targeting at building up tourist infrastructure. It would ensure security and political stability. Tourist work has to be linked by the preservation of natural cultural heritage and natural environment.” Hun Sen (1998)⁹

The Royal Government of Cambodia (RGC) has pinpointed tourism as its major development agent for both economic and political purposes. From an economic perspective, tourism can generate considerable foreign exchange with

minimal input and pollution (Rothman, 1978; Belisle & Hoy, 1980; Tyrrell & Spaulding, 1984; Sheldon, & Var, 1984; Liu & Var, 1986; Milman & Pizam, 1988; Ross, 1992; Richter 1989¹⁰). Tourism has been perceived as a low-cost and high-benefit economic activity using a country's natural attributes, such as scenic amenity, beaches, wildlife and climate, as well as its ethnic and cultural heritage. All these tourism assets are deemed to be idle resources that have a low, if not zero, opportunity cost (see Croall, 1997).

On the other hand, tourism can be capitalized upon for political purposes. Cambodia's Minister of Tourism¹¹ suggested that tourism is a good way to promote mutual understanding and peace in the region. It is also an effective means to cultivate international relationships and foreign assistance. According to Richter (1989), there is a tendency for international organizations to be more inclined to provide aid for tourism projects for political reasons.

These arguments are mainly built around the deployment of resources and with an assumption that tourism activities are well managed. Today, the public has become more sceptical about tourism development and its negative impacts on various environments (Croall, 1997). More cases alerted the potential damages of tourism and questioned tourism's capability of bringing economic benefits to the local public (for example Dyer, Aberdeen and Sigrid Schuler, 2003; Tosun, 2002). Gunn (1977) warned that tourism, as a fragmented industry, could easily lead to environmental degradation, and reduction of visitors' satisfaction and economic returns. Hence, strategic plans for tourism development, the management of tourism and impacts, and the cooperation and collaboration of related sectors seems critical for generating the optimal contribution while minimizing sacrifices of the well-being of the various sectors. In conjunction with this, planners require a conceptual understanding about the tourism system. It also suggested that leaving the development of tourism to the market mechanism does not seem promising.

The Concept of Tourism System

The conceptual understanding of a tourism system refers to the ability to see tourism as an entity within a larger contextual environment. It is what Mill and Morrison (1998) referred as the system approach of tourism management. The systems approach, according to Oreszczyn (2000), is to regard the subject of study

as “an integral part” of a larger system. This emphasis extends beyond the subject to the complex environment, relationship and connections of various elements.

To conceptualise tourism, Lea (1988) suggests a political economy approach or a functional approach. The political economy approach argues that tourism is the extension of historical colonialism and economic dependency. It is governed by political and economic determinants of world trade with unjustifiably negative impacts on the host. Tourism is developed at the expense of those less fortunate and thus enhances inequalities rather than mitigates them. The functional approach stresses understanding and classification of various functions without any political overtones. Lea suggests that these two approaches are not in complete opposition to one another. They are both “useful” for the understanding of tourism and “in helping us to fully appreciate the diversity of the subject and also represent the differing interests of the major participants in the Third World tourism.” (Lea, 1988:11) It would be critical to consolidate the two different approaches into a new soft system, which attempts to address both the political economic considerations and the functional aspects of tourism. Dieke (2000) redefined political economy of tourism (PET) from a new perspective to provide an understanding of tourism with the connection and relationship between politics, economics, and their roles in economic decision-making and implementation of tourism development programmes (Dieke, 2000:4). He suggested that through proper and effective policies and planning, tourism could be developed as an effective development agent.

Mill and Morrison (1985) conceptualise tourism from a functional marketing approach. Their operational framework consists of the collaboration of and linkages between four parties: travel, market, destination and marketing. Their model, as McKercher (1999) argued, tries to understand how the system work by dis-aggregating the system into individual components, investigate the relationship between them and re-aggregating them again. As with many other systems models, it implies the system can be managed by managing the individual components. McKercher (1999), however, argues that tourism is far too complex to be understood through the tradition Newtonian systems approach. He redefines tourism using a chaos approach and suggests a model with nine elements: travellers; communication vectors; other tourism-related externalities; considerations; external

tourism agencies; non-tourism related externalities; destination or internal tourism community; inputs and outputs. He also asserts the necessity of members of the system to reconsider their role in tourism. Despite the strength in illustrating the dynamic nature and movements within the tourism system, the model has its deficiency in application. According to the model, members have very little control over development and they can only take a passive / reactive role.

Lundberg, Stavenga and Krishnamoorthy (1995:4) defined tourism as “an umbrella concept”: an economic activity which covers several other dimensions. The “complex” of tourism incorporates various dimensions and sectors of difference interests, the interaction among these variables, and the consequences of touristic activities. Lundberg et al (1995) proposed a model of the tourism rubric, which included: restaurants, accommodation, transportation, destination development, travel research, travel expeditors, recreation facilities, tourist attractions, government offices and miscellaneous. This model is an illustration of the tourism private sector rather than the tourism system. Government serves mainly as a facilitator, which offers a somewhat narrow perspective of governance while local communities are totally neglected in the model.

Mill and Morrison (1998) also proposed a model for the tourism private sector, which incorporates accommodation, food service and the retailing sector; association sector; attraction and event sector; convention and exhibition sector; destination marketing sector; miscellaneous sector; regulatory and coordinating sector; transportation carrier sector and the travel trade intermediary sector. They attempt to use a systems approach to analyse the structural behaviours of tourism operation arguing that tourism has an open system nature. “The tourism system is not a rigid form, rather it is dynamic and constantly changing” (Mill and Morrison, 1998: 4) and thus, new concepts, theories and applications will embark to enhance our knowledge about tourism. Although it is model of the private sector, Mill and Morrison’s discussions incorporated a much stronger emphasis on the government’s roles and responsibility in tourism development.

Based on the theoretical understanding from existing literatures (including Laws, 1995; Lundberg et al, 1995 and Mill and Morrison, 1998), this thesis argues that the tourism system for LDCs is and will be shaped by the uniqueness of the

economy, the structure of the community, and the interference of foreign sectors, especially foreign tour operators and investors who, to a certain extent, shaped the demand. The tension of the social and political environment, the limitation of resources, and the perceptions of the market are interrelated. The players and interests within the tourism arena and throughout the development process vary and change over time.

Although there is extensive literature on the development and structure of the tourism system, this important concept is still not well defined. This phenomenon can be explained by the fact that many of the aspects of LDCs' uniqueness has not been included and thoroughly examined or studied. Besides, studies on the roles and functions of government, international and domestic Third Sector and local communities in tourism development are relatively scant.

Most of the existing works on the tourism system tends to fall under what Ison (1993, cited by Oreszczyn, 2000) refers to as hard system tradition, which seeks efficient achievement of goals and objectives, assumes systems can be engineered and modelled, and attempts to provide solutions to problems. In this thesis, the research followed the soft system approach, which suggests that the complexity of the "real world" cannot be captured in a systematic model. The model produced is the conceptualization of the logistics of tourism rather than the model of tourism. The discussion focuses on "issues" rather than "solutions".

PROBLEM STATEMENT

While there are still many debates on whether tourism is a solution to poverty, many governments, including the Royal Government of Cambodia (RGC), have pinpointed tourism as their direction for development, the catalyst for development, and the agent to modernity and prosperity (see Dieke, 2000). Despite various research (for example, Mill and Morrison, 1998; Ross (1992); Husbands (1989); Liu, Sheldon, & Var (1987); Liu & Var (1986); Brougham & Butler (1981); Belisle & Hoy (1980); Pizam (1978)) having revealed the advantages and disadvantages of developing tourism and the sustainability of tourism development, relatively few focused on the contextual issues that affected the development of the tourism business, the "problems poor nations have in retaining control over their

own tourism destiny”¹², the potential of tourism as a development agent, or the appropriateness of a market-driven tourism development. The extensive literature on the impact of tourism and tourism as an economic activity does provide a solid platform for investigation. The paucity of research on tourism as a development agent justifies the value of this study. Although it needs more empirical evidences to verify the claim, it seems reasonable to argue that knowledge of tourism is needed to ensure tourism development strategies are appropriate and effective, especially in view of the rehabilitation and development of the society.

RESEARCH PURPOSE AND OBJECTIVES

This thesis addresses a number of generic questions relating to tourism development in an LDC. They include:

- Is tourism a viable and preferred option for developing an LDC?
- How can tourism promote development with minimal negative impacts on the physical, social and cultural environment?
- How could a national tourism plan/policy assist and contribute to the accomplishment of the national goal of development and alleviate poverty?

Guided by these questions, the study is designed to develop a model of a tourism system with emphasis on the characteristics of LDCs by using Cambodia as the subject for analysis. Cambodia’s unique situation serves as an important parameter, which governs the scope of the study.

The purpose of the study can then be transcribed into five specific research objectives:

1. To develop a model of a tourism system in less developed countries through
 - a. Critical analysis of the existing tourism system models, such as Lundburg, Stavenga and Krishnamoorthy (1995) and Mill and Morrison (1998); and
 - b. Identification and examination of the relevance of new factors and dimensions of the tourism system.

2. To apply and examine this model in the case of Cambodia through:
 - a. an overview of Cambodia tourism, the known barriers to and image of the country; and
 - b. an examination of the various variables and components of the tourism system in Cambodia and an evaluation of the implications and importance of these variables in the Cambodian context.
3. To verify the research proposition that government and external influences are critical and significant to tourism development in less developed countries.
4. To discuss and comment on the adequacy of this model to the study of tourism development and operation in Cambodia.
5. To provide recommendations for the further development of tourism in Cambodia.

BACKGROUND OF THE SUBJECT: CAMBODIA

“Cambodia’s recent history has been one of appalling calamity and sadness... (just as) one nightmare ended, another was set to begin... A poor and wretched country was made more wretched still.”¹³

Cambodia is a small country situated in the south-western part of Indochina. The country’s landscape features a large piece of flatland that was once used for agriculture, Lake Tonle Sap, Mekong River, mountain ranges and a coastal exit into the Gulf of Thailand. It embraces a large collection of historical monuments and natural attractions, which nourished a substantial tourism business in the 1960s. The prolonged civil war from 1975 till 1991¹⁴ has torn the country apart. The post-war Cambodia is poor and seriously underdeveloped. Tourists were scared away by land mines, crime, political tension and negative publicity. To rehabilitate its economy and society, the new coalition government has pinpointed tourism as its development direction.

Despite the possible negative impacts of tourism (also see Pizam, 1978; Belisle & Hoy, 1980; Brougham & Butler, 1981; Liu & Var, 1986; Krippendorf, 1987;

Perdue, Long & Allen, 1990; Ross, 1992; Kavallinis & Pizam, 1994), Cambodia has very limited options. The prolonged civil turmoil has largely destroyed the infrastructure and resources that are essential for modernization and industrialization. Poverty is severe and escalating. The efforts of the RGC seem futile in re-developing its economy. Inflation, unemployment, famine and other social problems are creating even more misfortune and obstacles to development. To get out of this dilemma, RGC sees three alternatives: agricultural development, industrialization and tourism development. After failures in various attempts to revitalize its agrarian economy and to develop light industry, tourism was then appointed as the primary development agent owing to the perception that it does not require as much initial investment and backup infrastructure as other industries.

Cambodia, as a destination, has a number of weaknesses. On the one hand, the shortage of resources, including human resources, infrastructure, communication network, and funding hinders development. On the other hand, the lack of experience and knowledge has resulted in fragmented development of the tourism sector and products, and ineffective tourism policies, which in turn limited its growth potential and affected its sustainability. Given that sustainable tourism requires planning (Baud-Bovy and Lawson, 1998) and planning demands critical input of resources and information, this thesis serves to fill the gap of this critical information.

The historical context has its relevance to development. This section briefly reviewed the recent political development in Cambodia. In 1970, King Norodom Sihanouk's former army Commander-in-Chief, Marshal Lon Nol, overthrew the King while he was visiting Moscow. Since then, Cambodia plunged into political and civil chaos for more than two decades. War and isolation caused immense suffering to Cambodian society and its tourism businesses. In 1991, the presence of 22,000 personnel of United Nations Transitional Authority in Cambodia (UNTAC) created a short-term artificial tourism boom.

With the formation of a multi-party democratic government in 1993, the country saw the light of peace until armed confrontation broke out again in 1997. Although peace was restored in September of the same year, minor fighting lingered on. The death of Pol Pot, the Khmer Rouge leader, in 1999 and the

agreement between Prince Ranaridh and Hun Sen gave Cambodia new hope of “prolonged” peace¹⁵.

Although different parties and military forces hold different opinions about the future of the country, none would argue about the urgency of re-establishing the local economy. Yet, coming down to a consolidated development plan is never easy owing to a lack of market information, technical know-how and financial resources.

Cambodia as the Subject of the Study

“Tourists, (in 1989), have begun to arrive in numbers, most for just one reason: to see Angkor. The ruins of the great Khmer empire of Angkor are one of the world’s greatest historical monuments and are, quite simply, stupendous. Other than Angkor, much of the country still remains off limits and so Cambodia has become, in effect, a one destination country... It is hard to think that so many people – around a quarter of a million in 1995 – would visit Cambodia if it were not for Angkor.”¹⁶

There are specific reasons for the selection of Cambodia, a country of danger and difficulties¹⁷ as the subject and tourism as the topic for this thesis. First, Cambodia is a very fragile nation politically, culturally and physically. Planning, managed growth and strategic positioning are so critical that any mistake, in due course, can lead to serious problems for both Cambodia and the region. Socially, Cambodia is haunted by poverty and its destroyed social institutions. As a development agent, tourism is expected to rectify the situation through the creation of jobs and income, which can finance the provision of public goods and facilitate the rehabilitation of local communities. Through contributing to the body of knowledge, this research is expected to aid development and alleviation of poverty among Cambodia civilians.

Second, the country embraces the well perceived and the most endangered historical heritage, the Angkorean monuments, and various natural/rural resources that can be transformed into tourist attractions.

Third, it is a very challenging project owing to the extreme lack of resources,

information, poor conditions in Cambodia, and the lack of support from certain Cambodian government divisions. This thesis is one of the pioneering post civil war studies. The results of this project will contribute to knowledge about Cambodia and facilitate future studies. The study also provides input that hopefully could facilitate the formation of government policies, the positioning of tourism products in the competitive environment, and assist with the selection of the target market, and provide the development direction to maximize the benefits of tourism.

Fourth, Cambodia has gone through a prolonged civil war that has left many “war” related impacts. Although there is vast number of publications on tourism development, the development of a post-war destination requires specific measures and related literature is scant.

Fifth, Cambodia was once under the protectorate of the French, with varying levels of influence from India, Thailand and China. This has had a critical impact on the formation and evolution of the modern Cambodian culture. This cultural background is one of the unique aspects of this case.

Furthermore, it is important to examine what consequences tourism will impose on Cambodian society. According to Richter (1989), it is a myth of tourism that “travel encourages peace, goodwill, and international understanding.” It is, therefore, crucial to investigate the negative social consequences and dysfunctional impact tourism development might have, such as the increase in prostitution, the pollution of the natural environment, and the damage to the historical heritage.

Last but not least, although Cambodia’s development is unique, it shares many commonalities with other LDCs especially in terms of obstacles to development. The study of this country, therefore, can contribute to the understanding of the subject area and benefit other developing countries and post-war communities in their development direction and selection of strategies. In other words, the experience gained shall be applicable to other cases.

The selection of tourism as a development agent can be summarized as follows. Internally, tourism is one of the few options this post-war country has. Although Cambodia had been performing well in agriculture and light industry prior to the

war, the infrastructure was either destroyed or has remained very primitive. Agricultural production cannot even satisfy existing demand. Traditional industries, such as rubber plantations, are failing. Tourism seems to be the only option for Cambodia to pin its hopes on. As suggested by Simon (1995), “tourism plays a triple role as a hard currency generator, a technology transfer instrument and a development catalyst for sectors such as infrastructure, furniture, textiles, food and beverage.” Externally, tourism is a global trend to ride on. The market potential is immense and various agents have been promoting tourism to LDCs.

ORIGINALITY AND SIGNIFICANCE OF THE STUDY

It is every nation’s objective to ensure the well-being and quality of life for its citizens (Crouch and Ritchie 1999). Tourism is an alternative, but not the only option. As Russell (1995) suggested, resources from a societal prospective, are scarce and support given for pursuing any course of action will mean that there are other programmes not being funded. For LDCs like Cambodia, whose resources are scant, the impact of the misallocation of resources is even more critical.

Tourism has gained popularity among different host nations because of its significant potential economic reward (Dieke, 2000). If managed appropriately, effectively and efficiently, “tourism can be an important engine for achieving broader social goals” (Crouch and Ritchie 1999). Yet, badly managed tourism development can be destructive and even induce political turmoil (Richter 1999, Purdue 1999). Unfortunately, as Crouch and Ritchie (1999) argued, a framework that integrates all facets of tourism development does not exist. It could be the host communities’ heterogeneous backgrounds and characteristics that make a standardized structure for analysis, planning and execution for tourism difficult. Development plans, consequently, have to be target-specific so as to match the specific requirements and environmental considerations of a particular destination. This, however, does not degrade the criticality of a tourism system model, which can serve as a systematic gateway to approach a subject destination.

If tourism has to rely totally on others for survival as Baud-Bovy and Lawson (1998) argue, it requires a plan to co-ordinate these divergent “others”. The development of tourism and recreation must be coherent with other relevant

policies such as education, budgets, and public works. Its irreversible impacts have to be well controlled and managed. As a critical part of the overall development, all master planning of tourism must be integrated with the host government's economic development and physical plans; and reflect the political, social and economic priorities of the community concerned. An effective and efficient plan and planning mechanisms seems to be the crucial elements for the success of any tourism development.

This study also intends to look at the development cycle of a destination from a macro level and relate it to other development models to see whether there is inevitability about the lifecycle process. Although various studies have illustrated the lifecycle of tourism development (for example, Law, 1995), most of them presume that tourism will develop on its own and very little can be done to alter the shape and the expected live span of a destination. They also presume that government authorities should take a more passive role, adopting a "small government" approach. The researcher, however, argues that LDC government should play a more active or even a proactive role in modelling tourism development for optimal benefits and minimal negative impacts.

This is not the first study conducted in relation to the tourism and economic development. Yet very little have been done in relation to Cambodia or from a political economic point of view. No research, to the knowledge of the researcher, has been conducted to investigate why tourism should be the developing agent for Cambodia. It is also the first study, which tries to construct a development model for post-war LDCs, which relies heavily on tourism for the cure of poverty and the creation of wealth. As suggested by Lew and Hall (quoted by Hall, 2000: 39), "sustainable tourism issues are shaped by global economic restructuring and are fundamentally different in developing and developed economies."

This is also one of the few studies conducted on the tourism development of post-war countries. Regretfully, there are wars, turmoil and terrorism going on in our global village. Places like Sarajevo, Kosovo, East Timor, Lebanon, Indonesia, the Middle East and the Philippines have been suffering from war, terrorism and political turmoil. The people of these countries have to endure the long lasting impacts of these conflicts. The common challenge is how tourism can be utilized

for development and under what circumstances it would flourish.

This study examines the tourism planning and policy formulation with a combined prescriptive and descriptive approach. That is, it tries to illustrate a model and to explain the process within the contextual considerations.

This case study of tourism in Cambodia can be applied with modification to the development of tourism in other post-war economies¹⁸. According to Rose (cited in Baum 1999), there are a number of different approaches to interpret outcomes for another contextual setting, which includes copying, emulation, hybridisation, synthesis and inspiration. Therefore, though the contextual details of various destinations are heterogeneous, findings and recommendations of this study can still be valuable for other destinations.

Hall and Jenkins (1998) commented that understanding of the dynamics of the tourism destination system, the long-term effects of tourism and the relationship of tourism to other industries are minimal. This thesis hopes to contribute to the knowledge and understanding of these areas by investigating the relationship of contextual factors with tourism development.

It is also designed to draw together the composition of and linkages between various components in the tourism system. Hall and Jenkins (1995) expressed that very often tourism development is fragmented and poorly coordinated. The “complex nature of the tourism industry and the often poorly defined linkages between its components” often hinder the formulation and implementation of effective strategies (Hall, 2000: 34). This thesis, by defining and examining the tourism system of Cambodia, contributes to the knowledge about the country and facilitates its future tourism planning.

“In-depth analysis of successful (and unsuccessful) community-based economic revitalization and development is sparse. Examples of communities which have explicitly attempted to integrate the economic, the environmental and human factor are even more rare” (Hoff, 1998:2). Although conceptual works on community-based development do exist, work directly applied to tourism, poverty, planning and management is scant.

As a conclusion, tourism has been selected as the agent for facilitating

socio-economic development for Cambodia and hopefully contributes to the improvement of quality of life of millions of the host population. In response to this strategic decision, tourism development in Cambodia was selected as the subject of the study.

AN OVERVIEW OF THE RESEARCH METHODOLOGY

The main concern of this study is how tourism can be developed and utilized, given the odds and barriers that exist. By doing so, a tourism system model has to be defined. This study also attempts to develop a protocol (tactics, plans and policies) that can facilitate tourism development, which balances tourist and ecological interests; maximizes the host community's and the visitors' welfare, satisfaction and economic benefits; and prevents and / or reduces conflicts among various parties, and preserves ethnic dignity. Special consideration on political and social issues (war, terrorism, AIDS and education) has been taken in the construction of the protocol owing to the specific nature and high sensitivity of these environments in Cambodia.

Jenkins (1991¹⁹) posed two basic questions about tourism policies. "Why is such tourism policy necessary? And who should formulate tourism policy?" Dieke (2000:10) indicated, "There are important social, cultural, environmental and economic implications stemming from its development. For this reason, it is necessary to manage the growth of the tourism sector and to have clear guidelines to ensure that growth is compatible with national and sectoral objectives. A tourism policy provides the required guidelines and the reference point against which any future development in the sector should be evaluated." This research, within the specific setting of Cambodia, tested the appropriateness of the proposition that government intervention is critical to the development of tourism, especially for less developed countries.

Regarding the question about "who" should be the planner, there are various alternatives, ranging from the private business sector to public administrator or a combination of the two. Free-market liberalism and capitalism have given way to a market driven mode of development because of government's lacking of the market-based understanding or flexibility to react to market signals (Dieke, 2000).

At the same time, the queries about the effectiveness and appropriateness of a completely market driven mode of tourism development are becoming louder. For example, Hui (2000) indicated that a true market-led mode of development does not exist in capitalist communities and capitalism is anti-market by nature.

One of the reasons why this particular research is important is that the extremely poor and weak position of Cambodia makes it impossible to apply traditional models of development. After the restoration of peace and the re-opening of the nation to the outside world, Cambodia has to face a brand new world with immense competition. Various studies have suggested many alternative modes of development for less developed countries (LDCs) and some have proved to be effective. For example, Jaakson (1998) suggested a four-step model of development for the former USSR states. This model, however, has limitations when applied to Cambodia. Unlike those stronger new countries, Cambodia does not have the resources to push it through the road of reform. While many examples from the former USSR are busy with their privatisations of the public sectors, Cambodia's public sector does not even exist. RGC found it extremely difficult to attract investors. Traditional models of development, especially through industrialization, have critical limitations.

To facilitate tourism development in Cambodia, it is important to study the behaviours, perceptions, expectations and experiences of international tourists. With this knowledge, tourism developers can make better marketing decisions, and unveil any potential barriers to macro international tourism development.

It is also important to investigate and assess the country's competitiveness. Tourism development in Cambodia is far behind those of the nearby countries such as Thailand, Malaysia and even Vietnam. Cambodia can learn from these countries to developing a tourism development plan and to enhance its competitiveness.

The action plan of this study involves three major components: reviewing the contextual environment of Cambodia; defining a model for tourism; and assessing the current situation of Cambodia by applying the system model. Owing to the nature of the study and the availability of resources, a case study approach incorporating multiple units of analysis and multiple methods was adopted.

Research strategies included site visits, observations, key informant and focus group interviews, and archival analysis.

SCOPE OF STUDY

Definition of Geographic Scope

Third world countries seem beset by turmoil, conflict, and suffering (Handelman, 1996). Different communities face different problems such as civil war, poverty, and revolutionary conflict. Cambodia is an extreme case.

Conceptually, the geographic scope of this research is to cover Cambodia as a whole. Limitations on data collection and analysis, however, require further confinement of the study area to Phnom Penh and Siem Reap. There are three reasons for limiting the scope. First, it is almost impossible to cover the whole country in this thesis with the various resources limitations, such as time and budget. Second, it is not possible or desirable for the country to develop tourism in various zones at the same time. The employment of a rollout approach, which focuses on one or two major zones before expanding it outwards, is more practical. Third, certain areas in the country are still not accessible in terms of transportation and for safety reasons. In the discussion of national policy, regulations and plans, however, this geographic delimitation does not apply.

Definition of Subject Scope

Tourism development has been selected as the primary scope of this research thesis. Cobb (1997) claimed that although the tourism industry is still relatively young, “its impact is anything but small.” Tourism is regarded as an alternative to the more traditional economic development, such as industrialization²⁰. It has the strength to attract investment and business activities, create jobs and wealth for the local community. Tourism, however, is not just an economic activity²¹.

Tourism has not yet been a well-defined area or subject. The lack of a generally accepted working definition for “tourism” has caused problems and frustration. There are even debates on whether tourism should be a distinct discipline. Only recently has tourism been redefined as an important social phenomenon, given its various impacts. This thesis, therefore, attempts to fill part

of the gaps in understanding tourism and its position in the development of LDCs.

Another subject area of this thesis is “less developed communities” or “third world” development. According to Handelman (1996), there are approximately 140 countries that constitute the “developing world.” For a long time, there has been debate over the terminology. “Underdeveloped,” “developing,” and “the third world” have been utilized interchangeably. Each of them has slightly different implications. The United Nations and other international agents prefer to use the term “Less Developed Countries” (LDCs) while social scientists would prefer to use the term “Third World”. For the purpose of consistency, LDC will be utilized throughout this thesis.

Despite the divergent terminology, the common ground of these communities is their parallel stage of under development. As suggested by Handelman (1996), “the average North American or European, living in comparative comfort and security, has difficulty relating to the many problems plaguing Africa, Asia, Latin America, the Caribbean, and the Middle East.²²” The experience, technology, tactics and mode of developed might not be strictly applicable to these less developed areas. The lesson learnt from the development of America a hundred years ago or the experience of development of Thailand for the last 20 years happened in a contextual setting that is different from the situation in Cambodia today. Thus, blindly stereotyping development strategies for a LDC is not appropriate.

Limitations and Delimitations

This thesis is subject to various critical issues, limitations and delimitations. One of the major drawbacks is the paucity of official statistics. For example, while the number of tourist arrivals includes the arrivals at the international airports, arrivals from sea, by road and rail are not available. Tourist expenditures and tourist activities have not been recorded or monitored. Most of the official data are estimations and it is difficult to verify their accuracy.

Political instability and personal safety are major concerns and obstacles when conducting investigations in Cambodia. The crime rate is high. It is especially dangerous when collecting information about smuggling, heritage looting, and

prostitution. The poor health care services and hygienic standards also present obstacles to the study. During the course of the study, a number of visits had to be cancelled because of the political and civil unrest. The connections that had been built for soliciting inputs were sometimes blocked. The study has actually been deferred for 18 months owing to the political turmoil in 1997/8.

Other than political reasons, the study is also affected by the lack of support from some officials. Although some of them seem to be willing to help, especially with monetary incentives, many of them refuse to comment on sensitive issues.

Transportation within the country is another barrier. The system is still very backward and uncomfortable. Roads are pot-holed and unsurfaced. The road network has no illumination and is always flooded after heavy rain, which is a daily occurrence during the rainy season.

The language is a technical barrier. Back in the 1960s, many Cambodians, especially those living in Phnom Penh, spoke Chinese and/or French. After the exodus and mass execution of the educated and literary intelligentsia, most of the civilians speak only Khmer. Even though an interpreter was employed, the researcher cannot verify the accuracy of his translation.

This study is also restricted by financial limitations and time constraints. A more extensive study is possible if an extensive stay in the country and visits to remote areas and more meetings with people were held. The design of this study, however, has refined the set of objectives and the scope of study in order to cope with these limitations.

These limitations and constraints have been reflected in the original design and along the execution of the research. Methodology alternatives, refinement, additional sources of information and extra work have been applied to rectify the situation and shortfall listed above.

Ethical Considerations

This research shall comply with the following general ethical concerns²³. First, all interviewed respondents (unless stated otherwise) participated voluntarily.

They were informed that the study might invade their privacy. No special favours, personal benefits, or remuneration given as reward for their participation. In certain situations when it is the only way to ensure that required information can be collected, small tokens, such as gifts, were offered as an incentive.

Second, respondents are protected from possible harm caused by this research. Questions in the survey, observation and site inspection procedures have been evaluated and assessed by the researcher for sensitivity and appropriateness. Special attention has been paid to ensure that the research activities did not pollute or create additional pressure on the environment. Identities of the respondents were concealed, unless they were of specific importance and prior approval was solicited from the concerned respondent. Although it has been the intention of the researcher to disclose the identity of key informants, some of them, owing to their official position and relationship with other parties, have had their identities disguised. The identity of the researcher and the purpose of the study have had made known to the respondents and informants, wherever possible.

This thesis has reported all details regarding the research procedures and results, regardless of whether the data considered good or bad. Limitations and constraints, possible bias, distortion and misinterpretation of responses have been reported.

There are occasional violations to some of the above guidelines. For example, during the site inspection and observations, the behaviour of respondents, including tourists, government officers, business operators and other concerned parties, were recorded without their consent. Many respondents and informants in sensitive areas such as prostitution, heritage looting and smuggling, were not being informed of the conducting of the research to ensure the validity of the responses collected.

OUTLINE OF THE THESIS

Chapter 1 of the thesis serves as an introduction. It has laid out the basic research questions, the purpose of study and study objectives, a brief description of the conceptual framework, and the scope of study, which included an introduction to the subject of the study. Chapter 2 reviewed related literature so as to provide a conceptual platform. The literature review mainly focused on the importance of

tourism development for the less developed countries, models of tourism development, critical factors for tourism development, and the role of a strategic tourism plan.

Chapter 3 focuses on the discussion of the models for the thesis. Chapter 4 illustrated the methodology adopted for this study. Chapter 5 and 6 verified the model of tourism as proposed in Chapter 3. Chapter 5 focused on the outer circle of the model and Chapter 6 on the inner circle. The outer circle is basically the contextual environment of a destination and the inner circle is the tourism logistic mechanism or the governance mechanism. Chapter 7 applied the model for assessing the attractiveness and to identify the major challenges of Cambodia as a tourist destination. Recommendations and conclusion constitute Chapter 8.

SUMMARY

This chapter has given a brief description of the study, its subject, set of objectives, and limitations. The theoretical background, grounding theories, and research design will be discussed in the next two chapters.

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- ⁴ Anonymous. Cambodia: Travelling hopefully. *Business Asia*. 31(21): 13-14. 1999 Oct 18
- ⁵ Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture 1986*, Vol. 30, pp7.
- ⁶ The US definition of billion (1 billion = 1000 million) is adopted through the thesis.
- ⁷ WTO, *The Economic Impact of Tourism: Using tourism satellite accounts to reach the bottom line*, pp2
- ⁸ Richter, K. Linda, *The politics of Tourism*, University of Hawaii Press, 1989, pp3
- ⁹ Hun Sen (1998). *The Royal Government of Cambodia's Platform On Second Term 1998-2003*, presented on 20th November 1998 and agreed on 23rd November. Hun Sen is the Prime Minister of Cambodia.
- ¹⁰ Using Lake Baikal in the former USSR as an example, "a painstaking analysis by former Soviet statisticians has revealed that the average profit, if that be the right word, from one tourist is equal to the export of nine tons of coal, fifteen tons of oil or two tons of grain. Furthermore, if Lake Baikal was exploited as a tourist centre, it would earn twice as much hard currency as the total export of oil from the USSR - without depleting its stocks of raw materials" Richter, K. Linda, *The politics of Tourism*, University of Hawaii Press, 1989, p5
- ¹¹ Personal communication in Dec 2000.
- ¹² Richter, K. Linda, *The politics of Tourism*, University of Hawaii Press, 1989, p2
- ¹³ Colet, John. Eliot, Joshua. (1997). *Cambodia Handbook*, Footprint Hand Books, pp.7
- ¹⁴ Pol Pot ruled the country from 1975 till 1975. Paris Peace Treaty was signed on Oct 23, 1991 and marked an end to the prolonged civil war. For details, please also refer to chapter 3 and appendix.
- ¹⁵ According to a local Cambodian, the chance of real peace is lean. What they can wish for is a prolonged period of peace.
- ¹⁶ Colet, John. Eliot, Joshua. (1997). *Cambodia Handbook*, Footprint Hand Books, pp.7-8
- ¹⁷ Falkus when interviewed on 2001 in Hong Kong described Cambodia as a country of danger and difficulties
- ¹⁸ Kammerer (2002) suggested the similarity between Cambodia and Afghanistan.
- ¹⁹ Cited in Deike (2000)

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- 20 For example, Melissa Ward, a rural development specialist in the South Dakota Department of Tourism claims, "Tourism is economic development."
- 21 Although every other industry has non-economic insinuations, tourism is one of those that has extremely strong social, political and environmental implications. It is, however, very common that tourism was regarded by authorities and publics as a economic activity and manage accordingly. This can be verify by simply looking at the chain of command of most tourism authorities.
- 22 Handelman, Howard. (1996) The Challenge of Third World Development, Prentice Hall, pp1
- 23 Babbie, Earl R. (1973). Survey Research Methods. Belmont, Ca., Wadsworth Publishing Co., Inc.

Chapter 2: Literature Review

INTRODUCTION

This is a thesis about tourism and development in LDCs. In this chapter, the literature in related areas is reviewed to provide a theoretical platform for the development of arguments and recommendations in the later parts of the thesis.

“Tourism is at the same time a local or community concern and a burgeoning global phenomenon, the magnitude of which is set to increase” (Robinson et al, 2000:v).

Tourism is the world’s largest industry (Baud-Bovy and Lawson, 1998) and has become one of the most important industries for many societies (Croall, 1997). With advanced technology, travelling became faster, easier, cheaper and remote destinations more accessible. Economic development, together with the changes in family structure and size, lifestyle, living standard, and education level, fertilized a huge market. Tourism is the major export industry and earner of foreign exchange in many nations²⁴. In 1963, the UN identified tourism as a key sector that should receive first priority in technical assistance, owing to its importance as a means of strengthening the economic development policies of the developing countries. Tourism was credited for its ability to stimulate investments, generate foreign exchange earnings and create employment (OECD 1964). However, its social and political implications often neglected (see Croall, 1997 and Dieke, 2000).

This and the following chapter are designated to define a model of a tourism system for an LDC by critically reviewing existing literature and identifying additional factors and dimensions; to study the role of government in the development of tourism; and to justify the value of tourism as a development agent. The framework of study will be illustrated in Chapter 3. This chapter begins with a brief summary of the theories, definitions, and models regarding development and the needs for development. It then moves on to discuss the tourism industry and tourism development. The review also focused on providing justification for the selection of tourism as a development agent. Lastly, owing to the fact that tourism development is still an “undefined concept²⁵”, a model will be developed for

studying tourism development in LDC settings.

LESS DEVELOPED COUNTRY (LDC)

The concepts of the Third World and of less developed / underdeveloped countries have slightly different definitions and implications. The “third-world-ness” and the stage of being “less-developed,” however, have certain similarities in both political and socio-economic prospective (Haynes, 1997). This thesis selected an LDC as its subject. LDC is characterized by its stage of lacking in development; its highly imperfect commodity and resources markets, its shortage of information; and its prevailing “disequilibrium” (Todaro, 2000).

The lack of development in the newly globalize world might induce serious impacts to the LDC communities. Political conflicts and confrontation, civil turmoil and unrest, poverty, famine, illiteracy, marginalization and inequality are some of the common features and underlying problems (see Hui, 2000). Economic calculations are, therefore, intermingled with social and political considerations (Todaro, 2000).

DEVELOPMENT

“Development is freedom and the right to choice.” Oxfam’s motto

Contrasted to backwardness is development. Development is intended to solve poverty and the associated socio-political problems (Haynes, 1996; Handelman, 1996). As the primary objective for most LDCs, development has divergent meanings. It is synonymous with wellness and prosperity. It is desirable, preferable and necessary. It is impossible for responsible political leaders to reject measures that can advance the living standard, lengthen the life, and improve the well being of their subjects (Rostow, 1990). Development and improvements in living standards in LDCs require rapid transformation of the economic, political, social and institutional mechanisms (Todaro, 1992). It also implies changes to the traditional way of living, customs, traditions and culture, which can intensify social conflict and disorganization (Weinberg, Rubington and Hammersmith, 1981).

Definition of Development

“In the course of economic development, industrialized countries have taken many twists and turns. It is tempting to characterize development as merely path-dependent, “historical” or unique for all countries. But this isn’t the whole story” Ear, 1995.

Although development is often interpreted as an economic issue, economic growth is not the same as development (see Barnett, 1989; Handelman, 1996; and Schech and Haggis, 2002). Development is normally defined as the process and/or degree of growing larger, fuller and becoming more mature. In this thesis, development refers to the process of advancement in political, economic and social terms. It is a multidimensional process involving the reorganization and reorientation of the entire social and economic system (Todaro, 2000).

Development means different things to different people. Some refer to development as a process while others refer it as a status, which is a result of a series of economic, social, political and cultural processes (Pearce 1989; Hall 1994). Friedman defined development as a structural process.

“Development is always of something, a human being, a society, a nation, a skill... It is often associated with words such as under or over or balanced: too little, too much, or just right ... which suggests that development as structure, and that the speaker has some idea about how this structure ought to be developed. We also tend to think of development as a process of change or as least sufficiently regular so that we can make intelligent statements about it” (quoted by Hall 1994).

Pearce (1989) has conceptualised development into five different facets, viz., economic growth, modernization, distributive justice, socio-economic transformation, and spatial reorganization. Each of these is critical, inter-related, and might compete for resources.

The divergent orientations and definitions of development suggest the necessity for a working definition. By consolidating the World Bank / UNDP’s Millennium Development Goal; Oxfam’s interpretation and Todaro’s (2000) definition, development is defined as the process of growth leading to a stage of being mature,

advanced and organized. Its mission is to mitigate poverty and its associated problems, and to enhance quality of life. Its critical dimensions include: 1) raising people's living standards; 2) creating conditions conducive to the establishment of self-esteem; and 3) enhancing the freedom of people.²⁶ Development must be articulated as a multidimensional process (Todaro, 2000; Rostow, 1990). The three core dimensions of development include sustenance (economic), self-esteem (social) and freedom from servitude (political) (Todaro 2000).

Development has potential adverse side effects, such as the degradation of traditional self-subsistence agrarian economy, deagrarianization and marginalization (Barnett, 1989; Hui, 2000; and Schech and Haggis, 2002). Commercial crops, industrialization and modernization enforce new standards and practices and sometimes further enhances rather than mitigates poverty. Although some might argue (for instance Peou, 2000) that the goal would justify the means and marginalization is the necessary price for modernization, others questioned development's ability to address social problems of underdevelopment. Hui (2000), for example, strongly argued that development is an illusion. He argued that while development is the main objective for many nations, critical questions raised by Immanuel Wallerstein such as "what is development?" "Development for whom and why?" and "Does economic growth promise improvement in living standard" have never been addressed. While Rostow (1990:6) argues that economic growth is a necessary condition for development, Sahlins (1968) suggests that poverty is the by-product of development. In other words, market-led capitalistic development might intensify rather than rectify poverty. Development, therefore, must be managed strategically.

The state of underdeveloped is often the reason for pursuing development. If development is a 'slippery' term as is suggested by Wahab and Pigram (1997), the stage of underdevelopment is more solid and sober. It can be characterized by turmoil, conflicts, suffering, war, poverty, crime, starvation and ethnic violence (Handelman, 1996:1). It is connoted to inferiority and labelled as 'disfavoured.' It also implies the possibility of civil upheaval, which is interpreted as a threat to the order of the "developed world." The developed world, therefore, realizes the necessity to activate development in their less developed counterpart.

Underdevelopment can be sub-categorized into at economic, political and social underdevelopment (Barnett, 1989; Handelman, 1996). Each is unique in its own rights and yet intermingled with the others. This inter-connectedness among the various types of poverty suggests that poverty alleviation programmes should not be brindled by a pure economic prospective. For instance, Peou (2000) maintained that development is a series of transitions, which can be sub-divided into three loops: from war to peace; from a centrally planned or socialistic economy to a market-driven or capitalistic one; and from an authoritarian political structure to a democracy. Hence, the integration of social, political and economic development is critical and inevitable. While democratisation as the ultimate objective of development can be debatable, the need for action to improve the living of the people is beyond question. A more societal prospective of development has been contended by welfare economists, such as Sen and Hui, that development means freedom to live a life that the individual sees appropriate and desirable. In this regard, the development pace and path(s), and the ultimate developmental outcome should be jointly determine by the government and its people.

Poverty

Poverty is one of this thesis' main emphases and the most pressing problem to LDCs. Conceptually, poverty is a social phenomenon, which features suffering, marginalization and undermining sustainable development. It is simultaneously a cause; a barrier and a result that delineates the developmental symmetry syndrome²⁷ (see Gordon and Spicker, 1999).

Xenos (1989) approaches the phenomenon of poverty from a relativistic prospective and argues that people from the "affluent" world construe poverty and scarcity with their own standard. Marshall Sahlins' "original affluent society," as he argued, no longer exists in the rapid development of communication technology and international integration. This implies that no economy can exist and be managed as a single entity. It is mingled into the open system.

While absolute poverty²⁸, which is defined as a per capita income of less than US\$1 a day, is used as a reference in this thesis, the problem of poverty is not delimited to absolute poverty. New poverty groups might emerge and the needs of the poor change. Poverty incidence analysis and strategies to reduce poverty within

countries and among population groups (the displaced, the disenfranchised, and the refugees) would require a more targeted and a country-specific approach (see De Guydt, 1996). De Guydt (1996) could be too critical when he suggests growth in GNP has no direct implication to the mitigation of poverty but he is impartial about the importance and necessity of social development in alleviating poverty. He identified a list of factors, including material environments, religious and spiritual environments, political environments, culture, and social organization, that are directly related to poverty and thus they should be consulted in any poverty alleviation programme.

Economic Growth and Development Theories

Major economic development theories included the Linear-stages theory, the structural change models, the international-dependence models, the neoclassical theories, and the new growth theory (see table 2.1). From the traditional view of development that emphasizes GNP growth to the new economic view that stresses the improvement of living standards and redistribution of growth, development has emerged from a quantity to a quality domain (Todaro, 2000; Hoff, 1998). It is about the removal of poverty, deprivation, injustice, and promotes welfare on top of growth in GNP.

Table 2.1: Major Economic Models and Theories on Development

	Major models and theories
Linear-stages theory	Rostow's stages of growth Harrod-Domar growth model
Structural change models	Lewis model
International-dependence models	Neo-colonial dependence model False-paradigm model Dualistic-development thesis
Neoclassical theories	Free-market approach Public choice approach Market-friendly approach Solow neoclassical growth model
New growth theory	Endogenous growth

Source: Todaro (2000).

Dependency and Developmental Theories

The developmental theory (also known as the modernization theory) and the dependency theory are the two most prominent frameworks of development. The developmental theory suggests that development follows a 'regular' process with an undifferentiated chain of cause and effect towards the end of modernization and development where liberal democracy is the ultimate apogee. The developmentalistic approach has two major assumptions: the underdeveloped countries and their governance are in favour of creation of wealth via the improvement of the productive capacity; and development involves increments in differentiation and complexity in the roles in developing societies (Haynes, 1996:7). Rostow illustrated the five linear stages²⁹, viz., the traditional stage, the pre-conditions for take-off, take-off, the drive to maturity, and the age of mass consumption. A major peculiarity of Rostow's (1990) model is that development and modernization of the Third World has to be stimulated by external forces.

The developmental theory has been seriously criticized for its failure to take into consideration the highly diversified cultural and social environment of the underdeveloped economies and its failure in recognizing the inter- and intra-societies relationships (see for example, Hui, 2000). Its argument that development will follow a single trajectory, as with the industrialized precedents of the west, is not realistic. Rostow (1990) also admitted the challenge of applying his model to LDCs. He contended that these communities, owing to various circumstantial constraints such as climate, historical and cultural heritage, partial or total rejection of modernity as an explicit objective, resource limitations, war, endemic political instability, and perverse public policies, are unique and have to be dealt with individually. Some of these communities are not even equipped with the prerequisites to enter the pre-take off stage. "No one can now state with confidence how many will achieve take-off" (Rostow, 1990: xxii). As he argued, "economists cannot usefully come to grips with them unless we are willing to make cultural, social, and political factors – as well as history – a living part of our analysis (1990: xxiii)." This statement supports the researcher's proposition that contextual factors have to be defined in the tourism system model for LDCs.

The developmentalistic prospective suggests that economic development has to go through various stages and milestones. For example, Rostow (1990) suggested three critical steps: increased food production through agricultural development; expanded export earning; and increased investment in infrastructure (including education). Agricultural development, as Ear (1995) argued, also has to go through various phases. First, the “Mosher” phase during which agriculture starts to pick up and creates the “pump priming” process. Second, the agricultural economy will then enter the green revolution, which is characterized by the improvement of productivity and the utilization of technology. The sector will then undergo resource extraction and eventually come to the “Johnston-Mellor environment” when agriculture becomes a real contributor to the economy and facilitates industrialization. Excess resources will be transferred to the development of manufacturing industries. As the industrial sector matures, the economy will enter the “services revolution.” The economy then moves from capital-intensive manufacturing to a new diversified services orientation.

Despite the relatively domestic nature of the services sectors affects its international recognition (Edgall, 1999), The General Agreement on Tariffs and Trade (GATT³⁰) trade ministers finally agreed to look into the impact of the services trades in 1982. Under the Trade and Tariff Act of 1984, US established the Services Industries Development to promote the US services industries including tourism. In 1986, services were included in GATT’s multilateral trade agreement. These events actually marked the beginning of the service economy era.

Applying the developmental framework to post-war LDCs, which has resources and capacity limitation³¹, has a number of problems. Cambodia, for example, has been deprived from the traditional stage of an agricultural self-subsistent economy after its severe civil turmoil. Although the presence of external impulses, including international aid, intervention and investment, shed light for development, the pre-conditions for take-off are still unattainable. The transfer of technology and the influx of foreign investment have not generated savings for reinvestment. Antithetically, foreign investment might create additional social problems. For example, when the rural to urban job-seeker out-numbers the job opportunities, a high unemployment rate, and deagrarianization might further enhance marginalization and social imbalance. Poverty could be further stretched. As in the case of

Cambodia, its developmental process disproves the developmental model and evidenced certain characteristics similar to that of the dependency framework, which emerged in the late 1960s.

The dependency theory asserted that the development of western economies was due to the existence and exploitation of 'underdeveloped' or 'peripheral' economies. The industrialized economies take advantage of the peripheral area by developing primary / low value added industries and shipping out cheap materials and products. In return, high value added commodities are exported to them. Trade gains were drained out to their developed counterpart leaving a more serious trade deficit. Cambodia in 1997, for example, exported US\$736 million but imported US\$1.1 billion worth of commodities. In 2000, total exports increased to US\$942 million but imports also rose to US\$ 1.3 billion. Development, which is characterised by foreign investments and aid, has not paved the way for the country to get out of its trade imbalance and international debt.

One of the basic differences between the developmental and the dependency theory is their discrepancy in units of analysis. Walt W. Rostow, as the authority of the developmental theory, focuses on a particular society as the unit of analysis (Haynes, 1996:10) while many dependency scholars, such as André Gunder Frank, focus on the global capitalist system. Frank argued that the global economic system is an unevenly structured mechanism that incorporates a chain of 'metropolis-satellite' relations (Haynes, 1996: 10). The "traditional society" has long languished owing to its integration into the global system. The stronger the link to the metropolis, the more impoverished the satellite would be. Colonialism has been replaced by the economic imperialism of transnational corporations (TNCs). To rectify the situation, the chain of metropolis control has to be weakened. This framework, to a certain extent, explains the developmental process of Cambodia. The French Protectorate and colonial government deliberately developed the country as a supplier of raw materials. The economy, therefore, was not developed into a more advanced stage. After the prolonged civil turmoil, the country was poor and war-torn. International interventions to develop and industrialize the economy have not been successful. RGC's enthusiasm for integrating into the regional and global economy exposed the country to new problems and issues.

Both the developmental and dependency models have their deficiencies. Neither agricultural development nor industrialization, as asserted in linear models, was applicable for many resources restricted LDCs (see Ear, 1995; Hui, 2000). Leaping directly into the development of a service economy is an option awaiting assessment of feasibility. The answer is not yet available in the literature. The dependency theory reveals the potential problems, if not the hidden agenda of the wealthier countries to LDCs but failed to give any concrete solution. Development remains problematic.

Haynes (1996:13) related his argument to James Manor's polemic of complexities and suggested that any single trajectory model is virtually not feasible. The model of development, therefore, should incorporate a more dynamic illustration of the interaction of domestic and international factors, the emerging trends of the modern world, and the uniqueness of the concerned subject of study. A Cambodian specific model, therefore, has to be designed to cater to the special nature, background and desires of the concerned economy, society and communities. It is impossible to address all the different dimensions and facets of the Cambodian development in this thesis without sacrificing some of the depth of the investigation. This thesis, therefore, focuses on tourism.

Capitalism, Government Intervention and Market-led Development

Ear (1999) suggested that various factors including political endowments, political culture, timing, and strength of institutions make each country's industrialization process and development a unique case. Alexander Gerschenkron³² also argued that the nature and stage of development requires different degrees of state intervention. It is, therefore, an administrative decision to determine the level and format of state intervention rather than a conclusive ruling out of intervention.

Capitalism is defined as an "economic system in which a country's trade and industry are organized and controlled by the owners of the wealth, money and property, the chief elements being competition, profit, supply, and demand."³³ Laissez-faire capitalism has been argued as the only future (Shutt, 1998). Any deviation will be untenable and unsustainable in the long run. Governments,

therefore, must liberalize their economic system and maintain as minimal a level of intervention as possible. Small government is the destiny. Whether truly market-led capitalism is preferable is yet unknown (Shutt 1998). The so-called free market economy, as Hui (2000) argued, simply does not exist. Throughout the 1980s and 1990s, governments of the industrialised countries have never truly liberalized their economy. In fact, their interventions redoubled (see Hui, 2000 and De Soto, 2001). “Any genuine move in the direction of laissez faire and the minimalist state would represent a total reversal of the historic trend of the past hundred years or more which favours progressively greater intervention by the state to offset what have been perceived as the unacceptable side-effect, economic and social, of the capitalist free market” (Shutt, 1998: 2). Besides, the practices of liberalized policies in various economies have failed to alleviate the problem of poverty. “Nowhere – not even in Britain or the United States – did modern private-enterprise industrial systems emerge without substantial government action to facilitate the process (pg.xxiv).” Government policy is critical to promote development (Rostow, 1990). “Government inaction can have just as great an impact on society as government action” (Dye, 1987:3). Although further research is needed to qualify this argument, it is sensible to reassess the role of government in development and that market liberation should be the result of an administrative decision rather than an oath to be blindly followed.

Social Development

“Social Development is a multidimensional concept including social services, social integration, environment protection, rural development, as well as political and institutional development” (De Geyndt, 1996). The definition of social development in this thesis is the rehabilitation of the citizens and the reconstruction of social institutions. “The purpose of development is to create an environment in which all people can expand their capabilities, and opportunities can be enlarged for both present and future generations.”³⁴ Social development also refers to the provision of quality social services including, health care, education, population control, and food security and nutrition. The access to these services (public goods) is critical to the reduction of poverty (De Geyndt, 1996).

Political Dimension of Development

Development is political (see Eade, 2002). It involves the interplay of politics and institutional transformations. In LDCs, political elites enjoy control over resources, policies and opportunities. The relationship between governments, private sectors, the public, the third sector, and international sectors are political constructs. Hoff (1998:229) argued that democracy is the 'golden word' of the twentieth century. However, even the developed democratic governments have problems in being able to "develop and maintain effective participatory decision-making structures that involve citizens in collective management of their everyday economic and social life" (Hoff: 229). A fair and equitable mechanism for dissemination of wealth, information, attention and responsibility does not exist. Although political development is an important and inseparable topic to most LDCs' development, discussions have been delimited to key issues that are directly related to the development of tourism. Two of these included government intervention and foreign influences.

TOURISM

"Tourism can become a vehicle for the realization of man's highest aspirations in the quest for knowledge, education, understanding, acceptance and affirmation of the originality of cultures, and respect for the moral heritage of different peoples...Tourism has also made it possible for nations to develop strategies for the conservation of natural and cultural heritage of mankind. Planning for economic growth and development must go hand in hand with the protection of environment, enhancement of cultural life, and maintenance of rich traditions which contribute so greatly to the quality of life and character of a nation."
Giani Zail Singh, President of India, before the General Assembly of the World Tourism Organization in New Delhi on 3rd October 1983³⁵.

Tourism is not just a "continuation of politics" but also an integral part of the world's political economy and a tool for both economic and political purposes (Edgell, 1999:23). It has been promoted by nations and international organizations as a developmental agent (Richter, 1999; Dieke, 2000). It is a discipline with a

multi-disciplinary nature. It is a policy area, a programme under a particular policy³⁶ or a trade that has impacts on the economy, foreign relations, and social fabric of most countries (Edgell 1999: xi).

“While everyone seems to know something about tourism, the industry basically is poorly understood, and much is taken for granted in travel. A partial reason for this shortcoming is because there have not been in existence tourism policy guidelines that explain and demonstrate to policymakers why they should place special emphasis on the tourism industry as it becomes the largest industry in the world.” David L. Edgell, Sr. (1999: xi).

Early definitions of tourist and tourism tend to focus on the spatial dimension. For example, the League of Nations Committee of Statistical Experts in 1937 defined a “foreign tourist” as someone who stays in a foreign country for not less than 24 hours. The definition was then broadened to address tourist behaviours, environment and the tourism system. Leiper (1981), for example, defined tourism as “an open system” which consisted of interacting elements, including tourists, the generating regions, transit routes, destination regions and the tourist industry, which operates in a boarder macro environment.

The World Tourism Organization defined a tourist as “a visitor who stays at least one night in a collective or private accommodation in the country visited” and a visitor as “any person who travels to a country other than that in which he/she has his/her usual residence but outside his/her usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited.” It incorporates the behaviours related to travelling away from home, the expenditure incurred, the facilities being used and the activities engaged. The international tourism industry is “a set of industries, including railroads, airlines, automobile rental companies, hotels, restaurants, food and beverage producers, travel agencies, communications firms, museums, souvenir makers and sellers, and various forms of entertainment” (Belk and Costa, 1995), which jointly cultivated the business. Lundberg et al (1995) consolidates tourism operation and business into an operational framework. Emanuel de Kadt describes tourism as a major economic activity generating

significant income to the host economy. It is a capital-intensive industry offering an amalgam of products (Jefferson, 1991).

These definitions delimit tourism to a business prospective. Tourism, however, involves the interaction between human being and the environments, socio-culturally, economically and physically (Jafari, 1977). Tourism, therefore is a socio-economic phenomenon, involving individuals, government organizations, the public sector, and business institutions, and affects the long-term development of the host community. Powers and Barrows (1999) broadened the framework by incorporating governmental organisations³⁷. Dieke (2000) expands the scope to the political economic domain. It is a system of factors and elements involved in providing, delivering, consuming and facilitating the activities of travellers for all purposes. It is a development agent. Tourists are referred to as the group of travellers, domestic and foreign, who consume the destination for a particular satisfaction. Owing to the uniqueness of every destination, the development of tourism should be target specific (Jenkins, 1991³⁸).

Tourism has various impacts. It can solicit resources for conservation, restoration of national heritages, improvement of the environment and improving recreational facilities, which can be shared with the local communities, by creating and improving cultural resources (Wood, 1997; Baud-Bovy and Lawson, 1998). Although marketers typically tend to hail tourism as an economic panacea, especially to LDCs (Belk & Costa, 1995), it has its negative impacts.

The study of tourism can be classified into three categories: 1) descriptions of the industry and its operation, management and marketing; 2) the spatial development and interactions which characterise the industry on a local, national and international scale; and 3) the impacts of tourism development, including economic, social, cultural, political and environmental repercussions (Sinclair and Stabler, 1991). The focus can also be divided into four different directions: 1) business operation and management on micro level and the means to improve effectiveness and efficiency; 2) hosting nations' policy formulation and implementation; and 3) regional and international, interaction and collaboration; and 4) behaviours, perceptions and attitudes of the various tourism segments.

Why is Tourism always Associated with LDCs?

There are many reasons to cultivate LDC destinations. For example, these “virgin lands” seem to promise business opportunities for the urban market. The relatively low cost of living offers cost incentives. The stage of backwardness is exotic and might give some tourists a sense of superiority over the local people (see Briedenhann and Wickens, 2004; Dieke, 2000; Wahab and Pigram, 1997). Governments also find the following reasons to pinpoint tourism as their development agent.

A Catalyst for Economic Development

Tourism can be a critical and effective tool for a nation’s recovery (Richter 1999). It promotes economic and technological development (Edgell, 1999:19); finances development of basic infrastructures; creates demands for domestic products; attracts direct foreign investment; facilitates technology transfer through international labour movements (ILM) and training; and generates income, which turns into consumptions and investments (Culpan, 1987; Pine, 1992; Buhalis, 1996). It is especially critical to those LDC whose resources are scant.

Tourism is the largest single business³⁹. In 1999, international tourist arrivals reached 699 million creating a receipt of over US\$500 billion, which accounted for 8 per cent of the world’s total exports of goods and nearly 34 per cent of world’s total exports of services. By including domestic tourism, the total receipts exceed US\$4 trillion. Tourism is still growing rapidly. By 2010, international arrivals are expected to reach 935 million people.⁴⁰

Table 2.2: Tourism Receipts compared to World Exports of Merchandise and Commercial Services, 1995-1997 (thousand of million of dollars and per cent)

	value			Yearly change (%)		
	1995	1996	1997	1995	1996	1997
Merchandise	4,195	5,125	5,295	20.0	4.0	3.0
Commercial services	1,200	1,270	1,295	15.0	6.0	2.0
International tourism receipts	405	436	436	14.5	7.5	0.1

Source: WTO, *Tourism Market Trends*, 1999

Tourism is a crucial part of the ASEAN economy. It accounted for 30.4% of the services exports and 7.13% of the merchandise exports. In countries whose economy is dependent on failing industries, tourism can be utilized as a redevelopment agent.

Table 2.3: Economic Importance of Tourism in East Asia and the Pacific

Region	% Share of Tourism receipts in merchandise exports		% Share of Tourism receipts in services	
	1989	1997	1989	1997
E. Asia & the Pacific	5.04	5.44	37.93	33.59
Australasian	9.68	14.45	39.71	48.74
North-eastern Asia	8.92	7.16	31.05	30.88
South-eastern Asia	3.39	3.81	47.67	30.15
Other Oceania	53.97	77.23	239.61	230.21
ASEAN	8.92	7.13	47.67	30.04

Source: WTO

The primary economic contribution of tourism is foreign exchange earnings. It accounted for 1.5% of the world's GNP, 8% of merchandise exports by value, and 35% of exports of services in 1997. Regions, such as the Caribbean, are reliant on the tourism sector (Dieke, 2000). In the Bahamas, for example, tourism accounts for almost 70% of its foreign exchange earnings (Edgell, 1999:14). Tourism has been an important trade to balance the deficits in merchandise trade (Edgell, 1999). Despite economic leakage⁴¹ being a major concern (see Mbaiwa, 2003) specifically to LDCs, tourism is largely regarded as a promising economic sector.

The economic value of tourism is enhanced by its substantial multiplier effect, which is referred to as the increase in national income owing to the changes in the hands of income through consumption and reinvestment, which generates a new round of spending (Archer and Fletcher, 1990; Edgell, 1999). Multipliers are double-edged. The loss of one-dollar worth of tourism receipts will cut into the economy and create more than a one-dollar loss in total. Tourism multiplier effects can be of two types: the multiplier on tourist's expenditure and the yield multiplier on investment. The result of the New Zealand National Bank's study suggests that tourism can provide a high yield on investment. They estimated the magnitude to

be \$45 for every \$1 invested in tourism⁴². The multiplier of tourism receipts, on the other hand, varies substantially, from country to country, and from place to place within a country, and from time to time. Edgell (1999:18) estimated the normal range should be between 2.0 to 4.0.

Tourism is also renowned for its employment creation ability⁴³. Most of the tourism related jobs are either unskilled or semi-skilled in nature (Dieke, 2000). Therefore, local communities with less qualification and little training can also avail themselves of the opportunity.

Tourism business is relatively stable and “resistant” to economic fluctuations (Belk and Costa 1995). Taking the 1997 financial crisis in the Asia Pacific region as an example, the crisis struck many industries. Tourism, however, proved to be the least affected and demonstrated good bounce-back ability (McManus 1999).

Tourism, with the right foundations, can grow rapidly. Using PRC after the adoption of the open-door policy in 1979 and the incorporation of tourism into the Seventh Five-Year plan in 1986 as an example, arrivals increased more than 50 fold, from 1.8 million in 1978 to more than 57 million in 1997. Tourism receipts also grew accordingly, from US\$ 263 million in 1978 to US\$ 12,074 million in 1997.

Unlike many other forms of industrial development, the infrastructure requirements for tourism development are relatively flexible⁴⁴. Depending on the specific type of tourism activities, the initial requirements can be quite minimal and many essential back-ups can easily be built (Baud-Bovy and Lawson, 1998). Many tourism planners used to believe that tourism could be built on existing facilities and infrastructure. In return, the new infrastructure funded by tourism activities could benefit local communities (see Inskeep, 1991; Shaw, 1998).

Tourism has been regarded as a relatively clean industry (Sethna and Richmond, 1978; Bundesamt für Naturschutz, 1997). This, however, could be misleading. Tourism is one of the main sources of pollution and damage to some destinations. Crowds on the beaches, inappropriate dress, noises and traffic congestion are actually polluting the host environment on top of littering and water pollution that takes place. Therefore, cleanliness of tourism is dependent upon the execution and control of the tourism programme (van der Duim and Caalders, 2002).

Tourism, however, facilitates the preservation of cultural and natural heritages by giving them economic values (van der Duim and Caalders, 2002). It provides economic justification for cultural heritage conservation and at the same time serves to preserve artefacts and folk life found in communities (Hewison, 1987; Weaver, 1999). This justification is important for disbursement of public resources. The direct income from ticketing could also finance self-sufficient conservation programmes. Furthermore, tourism programmes might serve as a means of communication and education for both visitors and the host public, thus reinstating the value of the assets (Urry, 1992).

Tourism can also attract FDI (for example, Daddario and Kathleen 1994). Tourist arrivals bring to the destination capital, which is normally scant in LDCs. Investments create jobs, facilitate technology transfer and more importantly facilitate the development of local capital in the long run (Weaver, 1999).

Local Citizens can benefit from the Development of Touristic Infrastructure

Tourism finances development of infrastructures such as roads, hospitals, police forces, telecommunication networks and entertainment. Local citizens can benefit by sharing this infrastructure, which would have been too expensive to build through public finance (see Inskeep, 1991; Vanhove, 1997; and Shaw, 1998). According to Gartner (1996), “if a country increases its share of international arrivals, it should benefit domestic tourism by increasing the earning power of people in the host country allowing them to use some discretionary income for their own domestic travel. Domestic and international tourism complement each other in that the same infrastructure, facilities, and services can generally be used for both types of travel.”⁴⁵

It promotes mutual understanding and peace

“The world is becoming a global village in which people from different continents are made to feel like next door neighbours. In facilitating more authentic social relationship between individuals, tourism can help overcome many real prejudices, and foster new bonds of fraternity. In this sense tourism has become a real force for world peace.” Pope John

Paul II (cited in Edgell (1999:1)

In Clarence B. Randall's report, International Travel, under the Mutual Security Act of 1957, to the President. He commented:

"I hold the strong conviction that tourism has deep significance for the peoples of the modern world, and that the benefits of travel can contribute to the cause of peace through improvement not only in terms of economic advancement but with respect to our political, cultural, and social relationships as well....."

The freedom to travel is a dramatic freedom. It is a unique instrument of friendly, peaceful communication among the nations and the peoples of the earth..... The United States could exercise no more powerful influence on behalf of peace than to display strong leadership in promoting through travel the interchange of friendly visits among the peoples of the world⁴⁶. "

NGOs, such as World Travel and Tourism Council (WTTC), also contended that tourism is a key instrument for promoting peace and democracy⁴⁷. Through the "informal human information system", which is part of the information economy, is a potential channel for promoting mutual understanding (Edgell, 1999:22). It educates people on issues such as preserving cultural and natural assets, respecting ethnical otherness, and appreciating cultural differences. Although WTO's motto, "Tourism: passport to peace", is not shared by everyone and much more is yet to be accomplished, it is in the right direction (Edgell, 1999:32).

Promoted by International Organisations

Tourism is also generally regarded as an effective means of triggering industry development (Daddario and Connolly, 1994). Many revitalization programmes, which strategically conglomerate tourism with the more traditional forms of economic activities, proved to be effective in attracting investment dollars and jobs openings. Tourism also promoted the utilization of unoccupied facilities and economy of scales for local infrastructure (Vanhove, 1997). New attractions and sites built for tourists provided satisfaction for the local community as well. For these reasons, many international agencies and authorities such as UNESCO, the

United Nations, the World Tourism Organization, the International Monetary Fund, and the World Bank⁴⁸ have been promoting tourism (Belk and Costa, 1995) as a development agent. Given the reliance on NGOs for aid and assistance, they have a strong influence on LDCs' development direction.

The role to be played by tourism in development is still rarely touched upon (Poirier, 2001⁴⁹). The benefits and cost of developing tourism is difficult to assess and balance. Controversial development outcomes in different destinations suggested that more research on tourism development, especially in sensitive political economies and fragile cultural / natural environment, is essential for the understanding of the topic and the development of effective strategies (see also Walpole and Goodwin, 2000).

Tourism Development

“Tourism development is one of the most commonly used, but least understood, expressions in the tourism lexicon.” (Hall 1994)⁵⁰

There are basically four types of Asian economies: resources-poor, resources-rich, primarily agrarian and giant economies (Ichimura, 1988). Ichimura suggests that resources-poor economies should first develop labour-intensive light industries such as textiles and footwear, and try to increase productivity and export products. The trade surplus could finance the importation of capital items for improving productivity and quality, and enhance industrialization. After achieving some success in industrialization, governments could re-focus on agricultural development. He, however, failed to address some of the most critical LDC situations where even development of light industries is unattainable. The lack of capital, a supply-chain, government support, low productivity and protectionism retrain the development of domestic industries. The low-valued-added outputs and high-value-added imports intensify the trade deficits. LDCs, therefore, have to search for alternatives and tourism is often being identified as a promising option.

Tourism Development Models

Most of the tourism development models aim at deriving a lifecycle that can be applied for tourism planning and management. These models attempt to address issues that include a lifecycle's common pattern and stages, the tactics for elongating

lifecycles and a lifecycle's planning implications. Noronha (1976), for example, developed a three-stage model incorporating discovery stage, development stage and institutional stage. This model focuses on business leverage and the transformation of the tourism industry. It, in fact, only covers the initial stages of the tourism development and almost neglects the later stages. It also has the weakness of presuming that a destination is discovered by a tourist and evolves naturally thereafter. In this model, development is market-led while government and business entities assume a responsive/reactive role.

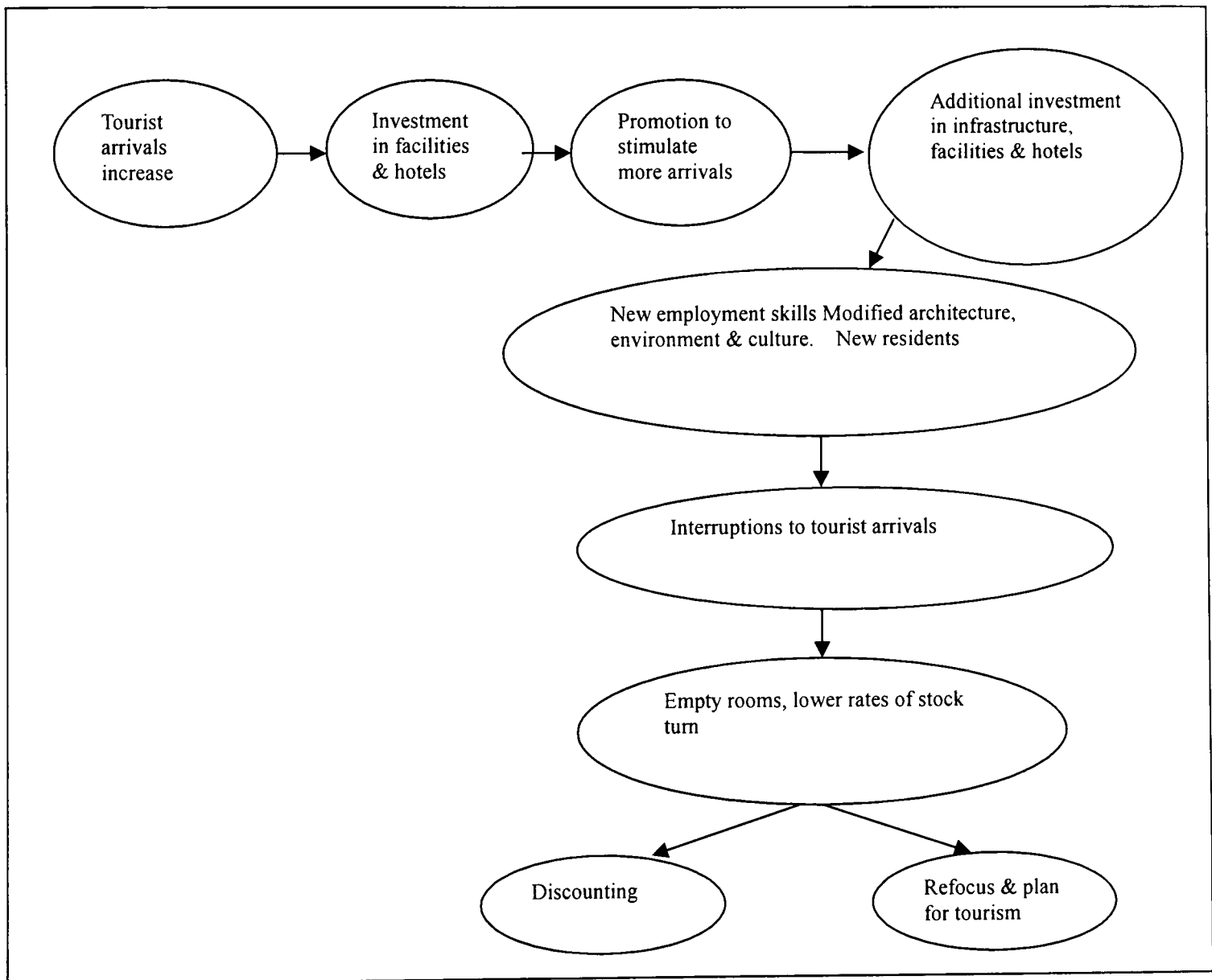
Miossec's lifecycle model (1976) emphasizes a destination's physical changes, which began with the early developers' projects. Tourist awareness and arrivals are subject to promotion. With the arrivals of tourists, facilities and infrastructure will be established. It is assumed that the system will automatically adjust its supply to satisfy tourists' needs and wants. Again, the model is market-led.

Butler (1980) suggests a product lifecycle with milestones. The model basically consisted of seven stages: exploration, involvement, development, consolidation, rejuvenation, stagnation and decline. He suggests a small number of tourist arrivals marks the exploration stage; significant numbers of tourists and the appearance of tourist facilities and businesses indicates the commencement of the involvement stage; extensive construction of facilities symbolizes the stage of development; the influx of tourists starts to level off at the stage of consolidation; the stagnation stage has the characteristics of no growth in new arrivals; and eventually negative growth occurs in the decline stage. Sustainable growth has been identified as the most important issues and rejuvenation programme is the solution. Although Butler's model implies the inevitability of stages of the lifecycle, he also suggested that lifecycles of different destinations will take different forms subject to their unique environment and management. It also implies that the process of development can be managed for sustainability.

Laws (1995) defines the life pattern of tourism (Figure 2.1) by focusing on the tourism business activities, changes of business and tourist behaviours. He suggests that development is a continuous process and it is hard to establish milestones to differentiate different stages. Tourism kicks off when travellers visit places for non-sightseeing purpose during the "pre-tourism phase". Business then

starts to grow as more arrivals are induced by word-of-mouth. The initial economical incentive attracts investment and investment promotes tourism business. The tourism private sector is the key player determining the development of destination and volume is often the key to success while profit is the only justification for their investment. Although this tenet is questionable, evidences in various Asian countries suggest its prevalence.

Figure 2.1: Destination Development Cycle



Source: Eric Laws, 1995, *Tourist Destination Management*, Routledge, pp.8.

To accelerate volume, mass tourism is the target. Its side effects such as irresponsible tourist behaviour, unplanned infrastructure development, tourist and residents competing for the usage of resources and infrastructure, pollution, over-commercialisation of cultural and historical heritages, crime, deterioration of local customs and values, destruction of uniqueness, and upcoming of new destinations might eventually lead to empty rooms (Laws, 1995).

Laws (1995) also suggested that the interaction between the host community and the tourist induced and supported “an increasing acceptance of changes in the character and nature of the destination’s social, moral and personal relationships. Traditional styles of eating, dress codes, working patterns and social and personal relationships change.” In many LDCs, tourism is a tactic to modernization. In this “Tourism Management Phase”, proper planning and administration is of extreme importance to make sure that there will be sufficient volume of tourists to sustain the tourism business and the “right” form of tourism is being cultivated.

Perdue et al (1999) suggested that most of the tourism development cycle models were built on the concept of “carrying capacity or “level of acceptable change”. For example, social disruption theories were adopted for accessing the impact of the gaming tourism. Although their studies are specifically targeted at the gaming sector of tourism industry, their argument actually applies to the more generic tourism arena.

All the above theories have two common grounds: 1) either tourists or business entities explore a destination; and 2) tourism will be allowed to grow till it reaches its capacity and rejuvenation should be in place to rectify the situation. Planning and destination management have not been key concerns.

These conditions perfectly match with the description of a market-led development. Unlike its supply-orientated counterpart, market-led development develops tourist products around tourists’ needs and wants. While many practitioners have advocated the market-oriented approach, it has major limitations. First, such a system requires perfect information for and from all participants, which is virtually impossible owing to the industry’s structural complexity. Second, environmental and social impacts (costs) of tourism are not reflected in the market price of the product and often ignored by this profit maximization approach of development. Third, the commoditization of tourism resources (see Cohen, 1988) pushes tourism development through a lifecycle. Demand will, therefore, switch to other new destinations, which means development will not be sustained. Lastly, the design of tourist product mix, under this market-led approach, is determined by the market needs and desires rather than those of the communities. As a result, the quality of life of local habitants and the preservation of the cultural and natural

environment might be traded for profit (see Choy, 1991; King, McVey and Simmons, 2000 and Collins, 1999).

On the contrary, the supply-side orientation emphasizes the involvement and participation of various stakeholders in view of the sustainability and welfare of the destination. It is not the same as “supply-side economics” which aims at promoting aggregated demand via the increase of aggregated supply but instead controls the supply in an attempt to control the demand. Supply-side oriented tourism development requires an administrator to regulate development and demand by marketing and promotion; dissemination of information; pricing of public attractions or resources; and / or by controlling access. A pure supply-side oriented development regime has its weaknesses and is sometimes not viable. A combination of the two approaches, with involvement and commitment from various parties and interests are, therefore, critical.

Casado (1999) used a four-stage model to illustrate the development of tourism in Flagstaff, Arizona. His emphasis is upon the reaction and/or position of the local public. In the “Primitive stage”, the landscape retained most of its original unspoiled state. The authority dominates developmental decisions and there is no citizen participation. During the second stage, the “Expansion cycle,” growth started to accelerate. The public started to be aware of the potential problems of development. Development is directed by the authorities. In the third stage, “Reaction against growth”, the public started to defend their interest. Eventually, the joint efforts of various interests participate in the formation of a plan during the “Consensus phase”.

Controlled or managed growth, as Casado (1990) argued, is critical for sustainability. Unbridled ambitions and unplanned growth could only lead to short-lived development. The solution is to consolidate a “broad-based action-planning project,” which involves participants from government, business/industry, education and environmental sectors.

Problems for Developing Tourism

“Adoption of tourism programmes has both positive and negative results, and there is not (not may even be) a consensus on their utility. The

balance between economic gain on the one hand and social / environmental costs on the other is difficult to gauge, although implementing more sensitive tourism strategies may diminish the latter problem.” (R. A. Poirier in Dieke, 2001: 35)

Cobb (1997) suggested a list of problems related to tourism development from a more operational prospective. First, tourism related data are relatively hard to measure. Second, it is hard to solicit local financial institutions’ support for tourist projects since it is new to them. Third, it is sometimes hard to convince local communities to accept tourism since it might be perceived as an annoyance and a costly drain on the infrastructure. Fourth, environmentalists hold a negative attitude towards tourist and tourism development. Fifth, although the multiplier effect of tourism can be great, potential leakages can be significant as well. Finally, tourism carries a series of negative impacts to be rectified.

Laws (1995: 10) suggests another problem with tourism development. The “economy of the destination is likely to shift in response to the profit opportunities offered by mass tourism, and a variety of legitimate and some rather questionable ways of serving the financially important population of temporary visitors will emerge.” This tendency does not merely affect both the host and the visiting population but in fact affects the long-term sustainability of future development.

The situation is even more critical in LDCs. According to Organization for Economic Co-Operation and Development (OECD), for those “countries that are geographically remote from the high income areas, whose climates (despite the prevalence of sunshine) are unpleasantly extreme, and whose low level of overall development means that they lack the basic facilities and attractions that tourism requires, cannot expect to be able to build up a tourist industry of any appreciable size without considerable difficulty.”⁵¹

OECD, for practical reasons, has sub-divided countries into four different categories. These are those where tourism is limited and hard to build upon, those where development potential is limited, those where tourism is under development but with good potential, and those where tourism is well developed and plays a very critical role in the concerned economy.

Tourism, especially when treated as a demand driven industry, is difficult to manage and control. Although it is possible to alter the supply side of the industry and control the demand side by administrative tactics, such as visa control, the business is a mixture of many various entities with competing interests. Tourists are autonomous and their behaviours can not be manipulated easily.

With reference to the above literature, the researcher purposes that barriers and obstacles to tourism development can be sub-categorized into: inherent barriers, imposed impediments and developmental sidekicks (see Table 2.4). Impact orientation can be grouped into three facets: the effects upon the tourist, the private sectors, and long-term development (the host) respectively. Inherent barriers refer to the environmental constraints for developing tourism. The lack of natural, cultural or historical resources that can be capitalized as tourist attractions, the lack of infrastructures and facilities, and the geographical remoteness are a few examples. Imposed impediments refer to those obstacles imposed largely by governmental initiatives. Edgell (1999) suggested a number of governmentally imposed impediments to tourism development such as travel allowance restrictions and other legislative restrictions, tariff-like measures, and bilateral agreements. Development sidekicks are the side effects created through the process of development. The loss of authenticity due to over-westernisation and globalization, marginalization, pollution and social degradation caused by power development planning and control are a few worthy of mention.

Table 2.4 Tourism Development Barriers

	To the tourism private sector (investing into a destination)	To the tourist (visiting a destination)	To the host (benefiting from tourism)
Inherent constraints	<ul style="list-style-type: none"> • Lack of attractions • Ownership issues • Lack of infrastructure • Lack of back of the house support • Poverty • Lack of financial institutions & domestic savings • Lack of local sources of supplies 	<ul style="list-style-type: none"> • Geographic barriers • Lack of information • Health issue • Security issue 	<ul style="list-style-type: none"> • Cultural shock • Environmental sensitivity • Privacy
Imposed impediments	<ul style="list-style-type: none"> • Ownership of property • Legal and taxation issues • Competitions • Monopolies 	<ul style="list-style-type: none"> • Health issue • Security issue • Corruptions • Visa and other travel barriers • Cost 	<ul style="list-style-type: none"> • Monopolies prevented private investment • Development priority marginalized local communities • Replacement of traditional agrarian operations • Re-claim ownership of land and properties by state government
Developmental sidekicks	<ul style="list-style-type: none"> • lost of attractions / attractiveness • intensified competition • competition for uses of resources & infrastructure 	<ul style="list-style-type: none"> • Lost of attraction • Over populated • Pollution • Natural degradation • Cultural degradation • Over development and modernization • Over commercialisation 	<ul style="list-style-type: none"> • induced social cost • lost of ethnos • westernisation and acculturalization • Marginalization • Crime rate increment • competition for uses of resources & infrastructure

Note: Tourism private sector refers to the tourism trade, which incorporated travel agents, tour operators, hoteliers and other related business entities.

This generic framework applies to all destinations regardless of its stage and status of modernization, availability of resources and the direction of development. For LDCs, where resources and capital are in extreme shortage, the focus has been largely given to the inherent constraints. The sensitive and fragile context of these hosting societies, however, implies the importance and seriousness of the other two barriers as well. All these impediments point towards a new dimension of tourism, tourism governance.

Tourism Governance

Although this thesis is not about governance, governance has a critical role to play in the development of tourism. Tourism is pinpointed as a development agent owing to its capability to improve the community's welfare by increasing income,

creating employment, enhancing opportunity for education, maintenance of environment and the continuation of religious rituals (Geriya, 1993⁵²; Cukier, 1998⁵³). Negative effects, economic leakages, development problems and barriers seem to suggest that the contributions of tourism depend on effective governance. Governance is a defining concept, which Olowu (2002) described as “a little known political science concept.” It has been applied to different domains, from the very generic global governance to more specialized streams, such as ocean governance, environmental governance, fishery governance and health sector governance. There are two major definitions for governance, as Olowu argued, 1) the one used by intergovernmental organizations, such as World Bank and UNDP, which stresses on leadership and the use of power to accomplish social and economic development; and 2) the share of power and authority among government and non-government organization for public administration. Kooiman (1993:2) further enhanced the idea of power sharing when he defines governance as “forms in which public or private actors do not separately but in conjunction, engage in problem solving together, in combination, that is to say co-arrangements.”

It is obvious that different people might define governance differently, and the definition and redefinition of governance are the result of the paradigm shift in a ‘pendulum model’ (Mawhood, 1984: 8). Governance can be a government administrative issue from a top down mechanism or, as The World Conference on Metropolitan Governance⁵⁴ propelled, a bottom-up approach that stresses the participation of government authorities and intergovernmental organizations. Despite the contrast in the logistic of different paradigms, they share a common mission to make things work and under control. Governance, in other words, is to ensure the accomplishment of the objectives with the least negative impacts and in the most effective way. It involves the “activities of social, political, and administrative actors that can be seen as purposeful efforts to guide, steer, control, or manage societies” (Kooiman, 1993:2).

Dethier (2000:2) also argued that governance is “synonymous with the exercise of authority and control.” He asserted that the exercise of authority is necessary in order of market economy. He has two important insights in governance: 1) the invisible hand of the market economy has limitations when applying to public goods; and 2) governance requires effective institutions, i.e. a system framework, to

constrain and facilitate behaviours of members of a society. This governance system regulates the exercise of authority and power. In other words, it is critical to define the relationships among stakeholders to enable the management of the system. The more complex the relationship, the more critical the conceptual understanding of the system will be.

If good governance is the key to development and sustainability (OECD, 2002), then the challenge is enhance its quality. Von Braun (2000) contented that fiscal federalism, decentralization, provision of public goods, and the rule of law are the fundamental elements for 'good governance.' Citizens' participation, transparent and predictable policy process, and accountable officials are the crucial factors.

Given the scope delimitation of this thesis, it is impossible to go into details of governance from a generic global or public administration prospective. Governance, as Dethier (2000) argued, shall be applied to a specialized stream and that is the governance of tourism.

Tourism governance is not a new subject area. In Sessa's (1976) discussion on the necessity of tourism policy, he explicitly stresses the need for tourism public policy and its dependence on the country's institutional framework. Governance is different from state-intervention. It refers to the collaborated efforts of agents including government, firms, management, employees, trade unions, national, regional and local states and non-state institutions (Williams and Shaw, 1998) which implies the need for a mechanism to consolidate these various stakeholders in regards to the fragmented nature of the tourism sector; its poor representation of interests; and the weak network and institutions (Williams and Shaw, 1998), and an agent to manage logistics. As a working definition, tourism governance can be defined as a strategic system of stakeholders, resources and owners of resources, interests, power and influences, plans, infrastructure, software and hardware for the optimal accomplishment of objectives and mission.

There are various reasons why tourism governance is an important issue. First, the highly complex nature of the tourism systems requires an effective management system. A governance system can regulate power by incentive schemes and commitments. The governance mechanism consists of the international regulatory framework, the state-government, the tourism trade, non-state institutions, and the

local communities. Its prime objective is to ensure the sustainability of tourism and development, assess the true environmental cost and give the environment its best protection; minimize negative side effect; and cultivate the most benefits from tourism (Williams and Shaw, 1998; Pigram and Wahab, 1997; Campbell, 1996).

Second, tourism development is more than an economic issue. Many components of the touristic products are public goods, which exist for different reasons other than pure commercial gain, such as improving community welfare, increasing income, employment, opportunities for education, maintenance of environment and the continuation of religious rituals (Geriya, 1993⁵⁵; Cukier, 1998⁵⁶). At the same time, there are negative effects, economic leakages, development problems and barriers that have to be managed by public administration. Hence, while Jefferson suggested that “the development of the tourism product must be marketing oriented⁵⁷”, there are cultural, environmental as well as economic considerations, which prevents tourism management being delegated to the market (see Williams and Shaw, 1998). The price mechanism of the free-market tenet, as Dethier (2000) argued, might lead to undersupply. The role of the state, therefore, must be reinforced.

Tourism is a fragmented industry. Participation and collaboration, as Göymen (2000) argued, is more easily advocated than achieved. Governance is, thus, the administrative mechanism to enhance the operational effectiveness and efficiency of the collaboration. It regulates the exercise of authority and power for the accomplishment of objectives. Bramwell and Sharman (1999), for example, enumerated that effective collaboration can avoid the cost of conflicts, legitimize decisions, co-ordinate policies and related actions, and add value by building on the existing knowledge, insights and capabilities.

Tourism governance has to deal with various challenges, especially in LDCs. For example, the private interest of participating parties, the paucity of capital and information, the domination of the public partners, the subservient of non-government partners, the domination of foreign capital, the representation of civil society, and the possible cultural or ethnical conflicts (see Göymen, 2000).

These obstacles, however, do not devalue the importance of the governance in tourism development. To the contrary, various researchers (Göymen, 2000 and

Trousdale, 1999) have argued for the importance of governance.

Tourism governance involves the design of the format of collaboration, mobilization and management of participation, the share of power and responsibilities, the development of social institutions, and the allocation of social resources (see also Sessa, 1976; Bramwell and Sharman, 1999; Williams and Shaw, 1998). It requires the development of capacity, the improvement of leadership and a thorough understanding of the complexity of tourism system. Before reviewing literature in related to the construction of a tourism system model, the next section briefly reviews the impacts of tourism as part of the reasons for governance. Collaboration and community involvement will be discussed in a later section.

Tourism Impacts

The impact of tourism has important implications to the development of tourism and the value of tourism as a development agent. This section summaries some tourism impacts. More details are provided in the appendix.

“The combination of youthfulness...with the pace of growth in demand has given tourism a Cinderella-like existence. International organizations support tourism for its contribution to world peace, the benefits of mixing peoples and cultures, the economics advantages which can ensue, and the fact that tourism is a relatively ‘clean’ industry. But as midnight strikes, tourism is uncloaked as a despoiler of destinations and a harbinger of adverse social change, and even the employment and monetary gains of tourism are seen to be illusory in many destinations.”
Cooper et al 1996⁵⁸

While tourism seems promising in economic terms, it might bring negative impacts as well, such as deagrarianization, marginalization, inflation and possible economic leakages. Tourism, therefore, has to be managed sensitively to maximize its contributions and reduce its destructiveness (Laws 1995)⁵⁹.

Many studies on tourism impacts focus on spatial and economic impacts of tourism development⁶⁰ (selected examples included Wolfe 1951; Hills and Lundgren 1977; Butler 1980; Mansfield 1990; Agarwal 1994; Burton 1994; Timothy and Butler 1995; Casado 1999). Recently, more attention has been given to social,

cultural and environmental impacts (selected example included Dana 1998 Brunt and Courtney 1999; Davis 1999; Campbell 1999; McIntosh and Prentice 1999). Destination is not merely a “leitmotif for a geographic place. Rather, they are also social and cultural constructions whose meanings and values are negotiated and redefined by diverse people, and mediated by factors often related only tangentially to a particular tourist setting⁶¹” (Squire in Ringer 1998⁶²). Destination is the home to the host (Briassoulis and Straaten, 2000).

Tourism also has political contributions such as promoting international peace, mutual understanding, cooperation, collaboration and cultivates intra-national relationships (for example, Richter, 1989; Hall, 1994; and Ioannides, 1999). Although this consideration has to be qualified by more empirical evidence, this position has been largely adopted in Asia.

Although tourism is generally perceived as environmentally friendly, Alavalapati & Adamowicz (2000) argued that tourism also has negative impacts on the natural environment. The idea of “tourism kills tourism” is gaining recognition (Poirier 1995). The impacts have two major sources: the development of infrastructures (Poirier 1995) and human activities (Also see Travis, 1982; May 1991; Farrell & McLellan, 1987; Inskeep, 1991; Gunn, 1998; and Kavallinis & Pizam, 1994). On the other hand, tourism could promote the public awareness (Cohen 1978), wildlife preservation (Myers 1975); and create economic values to support environments preservations (Wahab and Pigram, 1997).

The public is becoming more aware of tourism’s potential impacts on the social and cultural environment of the hosting community (Davis, 1999). The debate over the balance between tourism development and local culture has been a serious one. While polarized opinions of tourism⁶³ co-exist, the majority holds a mixed feeling about tourism (for example, Mathieson and Wall, 1982; Urry, 1991; Browne and Nolan, 1993). The social impact of tourism, as Krippendorf argued, is so important that it should be given the first prior in impact studies (cited in Brunt and Courtney 1999).

These various impacts can create chain and compounded effects. Existing literatures, by and large, over-looks the fact that most of the negative impacts are manageable through effective tourism planning, implementation, and control.

Loukissas (1983) argued that “despite of the importance of tourism as an instrument for socio-economic development, careful planning and management is required in both public and private sectors to balance environmental preservation needs with pressures for economic growth and resource development that are associated with tourism and a successful tourism-development plan.” Kavallinis and Pizam in their study try to identify the chain of responsibility from the prospective of tourists, local residents and entrepreneurs. Although the result of the study might not provide any solution, it stated a cardinal consideration of tourism development and impact management: who should be responsible for managing the system and operations? This further substantiated the researcher’s thesis for the necessity of tourism governance through an effective mechanism.

Tourism System

“The full scope of international travel and tourism... encompasses the output of segments of many industries. The travel “industry” consumes the output of and creates a far-reaching base of wealth for feeder industries such as agriculture, fishing, food processing, brewing, construction, airports, automobiles, and furniture. In addition, tourist activities make use of the services of other industries, such as insurances, credit cards, advertising, and computers.

Tourism is an economic activity that provides the countries receiving tourists with a dependable source of income and foreign exchange; it creates jobs, reduces unemployment, fosters entrepreneurship, stimulates production of food and local handicrafts, speeds up communications, facilitates cultural exchanges, and contributes to a better understanding of the country and the world at large. The changing dimensions of this vast, expanding industry are bringing into sharper focus concerns over the cultural, ecological, environmental, social, and political consequences of tourism, in brief, the sustainability of tourism” (Edgell, 1999:11-12).

Tourism is a system⁶⁴ of interrelated elements (Leiper, 1990; Gunn, 1994; Mill and Morrison, 1998; Hall, 2000), viz., tourism private sector (Elliott, 1997); public sectors; domestic sectors; and the environment (Williams and Lawson, 2001). It

is “an integral part” of a larger system (Mill and Morrison, 1998 and Oreszczyn, 2000), which incorporates the complex contextual environments, such as the cultural, ecological, social and political environments (Edgell, 1999). To manage tourism requires a thorough understanding of the construct of the system and how it works. As argued in chapter 1, the concept of tourism system is not well defined. Various models, such as Lea (1988), Mill and Morrison (1985), Dieke (2000), and Lundburg et al (1995), tend to address tourism from a business prospective and have limitations when applying to LDCs. Wickens and Harrison (2000⁶⁵), building on Middleton’s work, proposed a new model that incorporated travel organizations, destination organizations, market demand, product supplies and physical access to destination as the new mix of tourism products. While this approach is effective, especially when related to destination marketing, it has the major weakness of neglecting the contextual environment, especially the hosting communities and the interaction of powers, from the mechanism.

McKercher (1999) argued any model would be a simplified reality, which failed to appreciate the complexity of tourism. The multifarious contextual setting of the system would make it impossible to construct a model. He proposed the chaotic system of tourism⁶⁶ that emphasized the complexity of the interrelationship between players and variables and argued that tourism functions as a chaotic, non-linear, non-deterministic system in order to rectify the failure of the traditional models in explaining the complex relationship of tourism components. He challenged former works, such as Pearce (1989), Mill and Morrison (1985), McIntosh, Goeldner and Ritchie (1995) and Gunn (1994), on the ground that these models deliberately select what to be and not to be included in the system and “fail to appreciate the interdependent and highly competitive nature of tourism businesses and the complex interrelationships that exist between and among these organizations (pg. 426).” The chaotic system intended to integrate the enormous number of businesses and operators into the tourism industry and to describe the dynamic nature of their relationship. He denied any intrinsic assumption of stability or anticipation of linear change in the system. The ongoing turbulence, incredible upheaval and actions of rogues within the tourism system, however, are exactly the reasons why a structural systematic setting of the tourism system and tourism planning is needed. The complex interrelationship between enormous numbers of players demands a

systematic plan to govern the behaviours of these elements.

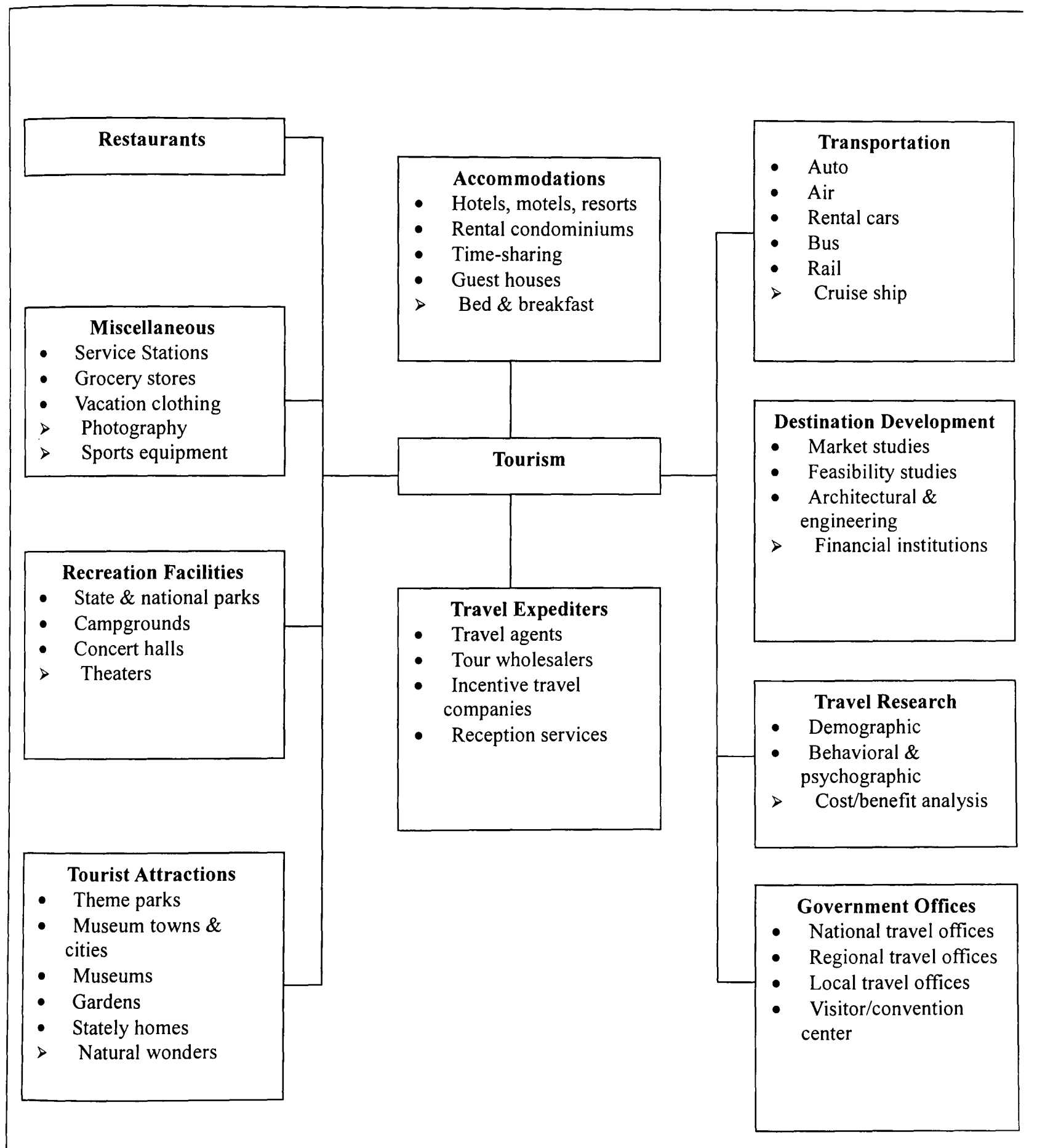
McKercher (1999) has important insights about the tourism system. First, a destination is, to a certain extent, independent from its neighbouring region. No matter how successful a destination is, it does not, in any sense, predict the success of another destination in the region. This, however, does not describe the contrary situation. Poor development of the region and critical incidents in the neighbourhood might be fatal to local development. Second, the power dynamics within and beyond the tourism arena was identified as a critical factor. Third, tourism system studies must take a holistic view rather than delimiting to individual components and their functions. Finally, the tourism system is an open system.

McKercher's chaotic model has its conceptual deficiency too. It argued that the incongruity of order out of chaos will determine the broad parameter of the system and the system would manage by itself. Tourism, according to McKercher, will regulate and sustain itself. His anarchic approach, however, fails to address problems such as marginalization and exploitation. Various cases of failure seem to suggest that sustainability is the result of careful planning and control.

Owing to the multi-disciplinary nature of tourism, the system framework has to incorporate the following components: the hosting communities, local/national government, private sectors, externalities such as international aid and influences, infrastructures, and the contextual environments. One of the interesting areas is the determination of the government's role. Edgell (1999:23-25) contended that government's involvement in tourism should include: tourism facilitation, foreign policy, bi- and multi-lateral tourism agreements, and the involvement in intergovernmental organizations so as to steer international efforts to the benefit of the nation. Edgell (1999:30) by reviewing the critical intergovernmental organizations involved in international tourism affairs maintained that tourism has become an international / political domain. Edgell's (1999) and Lundberg et al's (1995, see Figure 2.2) arguments, to a certain extent, rectified a major deficiency of the existing models, that is to define the tourism as a business sector which operates in a closed system. On the other hand, Baud-Bovy and Lawson (1998, see figure 2.3) defined a broader tourist industry system that featured more stakeholders but still unable to some critical issues of the LDC destinations. A system model that

clearly articulated tourism's socio-political dimensions is still unavailable.

Figure 2.2: Model of Tourism Business



Source: Lundberg, Donald E. Stavenga, Mink H. Krishnamoorthy, M. (1995) *Tourism Economics*, John Wiley & Sons, Inc. pp4

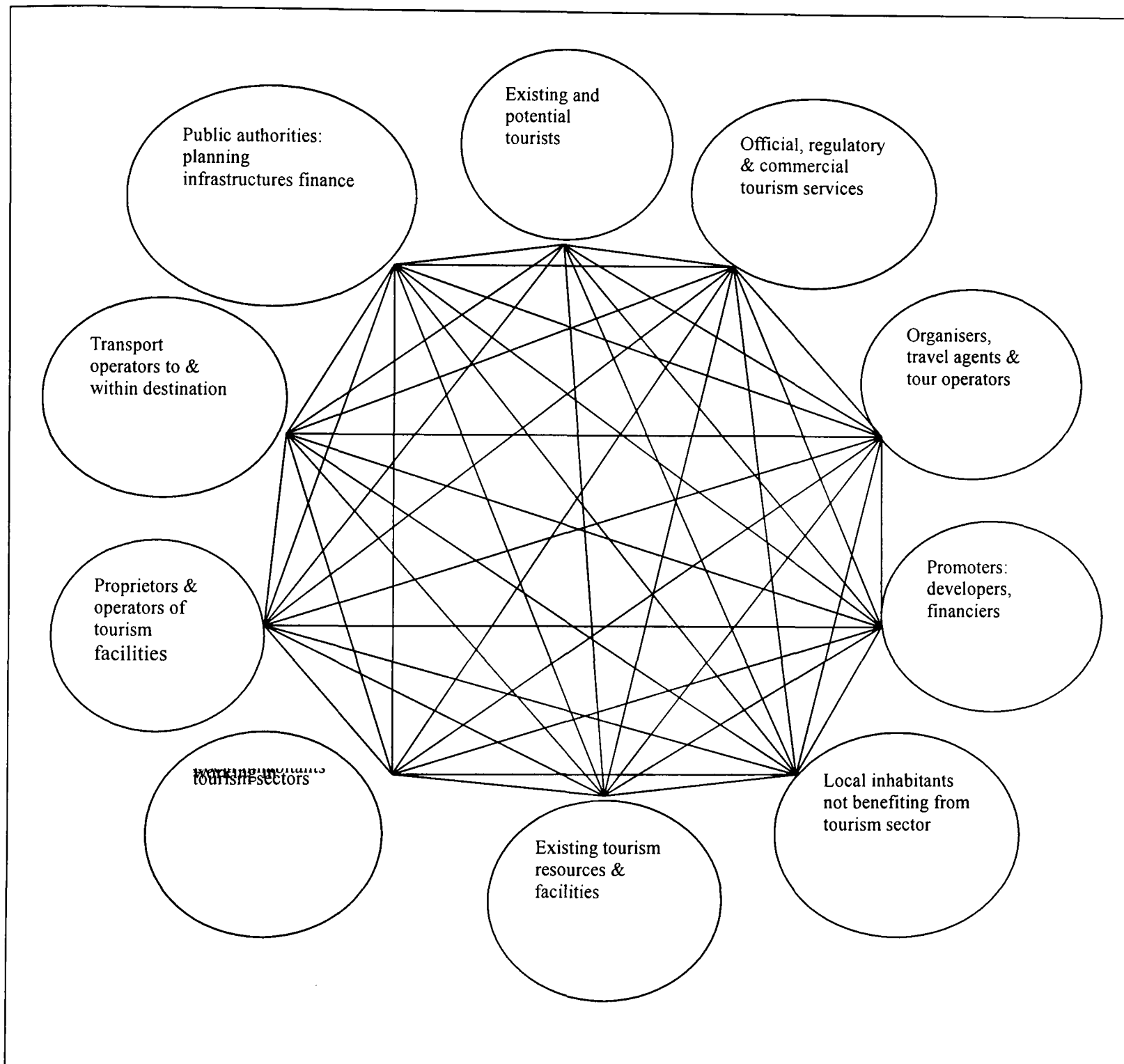
Based on the existing literature and the observation of the researcher, this study argues that the tourism system of LDC is shaped by the uniqueness of the economy, social and political structure of the host in an open system. The tension of the social and political environment, the limitation of resources, and the perceptions of the market are interrelated. The players and interests within the tourism arena and throughout the development process vary and change.

Although there is numerous literature on the development and structure of the tourism system, it is still a developing concept. The fact is that many LDCs' individual uniqueness has not been thoroughly examined and studied. Investigations on the roles and functions of government, international agents and the Third Sector, which is the collective sector of non- or quasi-governmental organization, charity and voluntary organization, in tourism development are relatively scant. The understanding of tourism featured in the larger contextual setting is critical, yet rarely touched.

In fact, most of the existing works on the tourism system tends to fall under what Ison (1993⁶⁷) referred to as hard system traditions. In this thesis, the research switches to a soft system approach, which suggests that the complexity of the “real world” cannot be captured in a systematic model. The system model thus produced is the model of the logistics of tourism rather than the model of tourism. That means the discussion of the model would focus on “issues” rather than “solutions”.

This new model attempts to encounter the challenge of tourism's complexity especially in the setting of an LDC. In the upcoming sections, key elements of purposed tourism system model for LDCs will be defined in more detail.

Figure 2.3: The Tourist Industry



Source: Baud-Bovy & Lawson, *Tourism & Recreation*, 1998, pp5

Government Sector

Governments, especially those of LDCs, can assume the roles as infrastructure providers, operators, entrepreneurs, investment stimulators, regulators, legislators, investment stimulators, promoters, planners, coordinators and educators in developing tourism (Zhang, Chong and Ap, 1999; Mill and Morrison, 1998; Hall, 1994; Pearce, 1992). It is, as Jenkins & Henry (1982) suggested, the government's decision to be actively or passively involved. Public policy is governments'

decisions on what and what not to do (Dye, 1987:3). Government authorities might choose strategically to be active in some facets while passive in others. The policy and strategies of government have to match with the environment and thus would have to be altered and refined over time. Edgell (1999:71) argued that governmental involvement in tourism development and policy making varies from country to country. Its participation is motivated by political, economic, environmental or combined motives (Mill and Morrison 1998). The circumstantial factors included the politico-economic-constitutional system, the socio-economic development, and the degree of tourism development (IUOTO, 1974). Mill and Morrison (1998), however, argue that government has critical roles to play and responsibilities to assume in the development of tourism.

As suggested by Baud-Bovy and Lawson (1998), tourism and recreation involve other sectors, such as transportation, education, urban development, industry and industrial development, forestry, telecommunications, information and etc. It is inter-related with the national, regional and local socio-economic policy and politics. Hence, tourism development requires sophisticated, strategic, long-term planning, which gives directions, ensures proper allocation of resources, minimizes negative impacts and costs, and enables fair and equitable distribution of wealth and benefits.

Some of the tourism related functions are irrevocably governmental responsibilities such as the issuing of visas, the construction or stimulating construction of infrastructures, police protection and crime control, health care and education. More than 170 countries maintain travel-promotion offices at tourist generating regions (TGRs) and actively promote visitation to their country (Edgell, 1999:23). The main areas of concern, therefore, are a government's direct involvement as an operator, owner and manager of tourism development projects. For example, Choy (1991) argued government is incapable of influencing the market forces to achieve economic success. It should concentrate on those issues such as the negative social and environmental impact, which are not ameliorated by market force. In other words, development will be left to the private sector.

Kurer (1997:1) also argued that the failed inward-looking development strategy, which featured the expansion of government, the comprehensive regulation of the private sector and a process of import substitution, has been labelled as the cause for

the economic problems and failures in the Third World. An inward-looking strategy that relies on a patron-client network could “lead to factionalism, politicization, a high level of administrative corruption, a low degree of legitimacy, and a weak state that is exposed to increasing demands by political supporters for goods and services and for privileges” (Kurer, 1997:1). In other words, tourism policy and planning can end up as political struggles even if it is addressed as an economic activity. Political clientelism⁶⁸, together with the rural-urban political machine and factions’ allegiance, has a key role to play in the LDC’s development process. Kurer (1997) argued, “Corruption is both generated by clientelism and simultaneously reinforces it (pg.3).” Corruption and the expansion of state intervention, as the results of clientelism, would eventually lead to the neglect of infrastructure, misallocation of social overhead capital, overstaffing, inefficient public administration, the expansion of an inefficient parasitical sector, and private sector regulations that reduce welfare (pg.4). The induced macroeconomic instability and low level of domestic saving might ultimately lead to stagnation.

However, the success and failure of a particular type of policy, as Kurer (1997) asserted, is affected by many factors. There is no golden rule. The clientele relationship that prevails in authoritarian states exists in democratic nations as well. State intervention, though condemned by many, cannot be precluded. It depends on situation and conditions. The question, therefore, is what kind of situation and conditions are relevant?

Tourism is a social phenomenon that takes place in human societies through humans, interacting with other humans, and consequently affects the way of life of the hosting communities. It is being utilized as a development agent to alleviate the problem of poverty and to provide public goods. As a result, government can hardly pull out from tourism and allow the market to determine the results. In the situation of a LDC that is suffering from lack of knowledge, information and power to participate in modelling tourism development, a government might be even more crucially obligated to assume an active role. The past literature often neglected a few key roles, viz., guardian; educator; aid-coordinator; protector; negotiator; information disseminator; wealth distribution mediator; and provider of social safety net, which have to be played by the state-government.

Private Sector (Private Market Organizations)

There is no shortage of literature recording government failures⁶⁹ or in support of the free-market tenet. It is a general belief that when government has failed, the system needs to turn to the market. Government intervention is antithetical to this commanding height⁷⁰ of modern / western economy.

The general inclination towards the market is induced by the mega trend and the perception that tourism is a business and the fact that destinations count on private investment for development. The revolution in 1989 and the change of the economic commanding height to the free-market triggered the retrenchment of the state (Starr, 1991) and the reliance on the private sector. Tourism, being defined as an industry, should be liberalized and its development handed over to the private sector (Tarhan, cited in Göymen, 2000).

There are some cases of market failures and issues that suggest tourism development can be beyond the private sector. For example, Choy (1991) argued that tourism development is more than an economic plan. It is a broad social function, which requires government programmes, legislation and regulations to achieve socially desirable conditions and to preserve both cultural and ecological environment. Aviation and bilateral visa agreements are examples of issues beyond the private sector. Seibel and Anheier (1990) also identified the risk of information asymmetries between producer and consumer; and the private sector's readiness to trade quality, environmental preservation and social welfare for profits.

These arguments, however, do not deny the importance of the private sector. Especially in LDCs where resources are scarce, the private sector has a key role to play in both the development of tourism and the provision of public goods. The private and public sector partnership is becoming more prominent a proposition in the literature (Bramwekk and Rawding, 1994; Göymen, 2000; Olowu, 2003).

Community Sector

Tourism is a social phenomenon that happens in human societies. Humans interact with other humans and affect their way of life. In other words, tourism has a socio-political dimension. If tourism, as the Ministry of Tourism of Cambodia asserted, is a development agent for the betterment of living standards, it is sensible

to argue that its development has to be community-based. It is also implied that local communities have to be involved in the development and operation of tourism.

The involvement of communities can be substantiated by two rationales. First, tourism builds on local facilities, which include infrastructure, natural environment, land and human resources. Tourists and the host have to share and compete for resources and opportunities (McKercher, 1993). Second, local communities play an important part in the success of the tourism business and benefit from development of tourism. In LDCs where the tourism industry is largely controlled by foreigners, it is difficult to rely on the private sector to defend the welfare of the local public.

Since Arnstein's (1969) Ladder of citizen participation (see Figure 2.4), community involvement has become a much used term in both human development aspects and researches (Seeley, Kengeya-Kayondo and Mulder, 1992). It is regarded as a 'necessary condition for the meaningful expansion of a people's ability to manage their affairs, control their environment and improve their own welfare' (Seeley et al, 1992:1089). The partnership between government and citizens in policy-making has been promoted by international organizations, such as OECD, as high priority on the public agenda.

In the process of involving communities in public policy-making, some questions need to be addressed including what are the justifications for community participations; what kind of mechanisms or framework are essential; and what are the cost and conditions for effective participation (see OECD, 2001)?

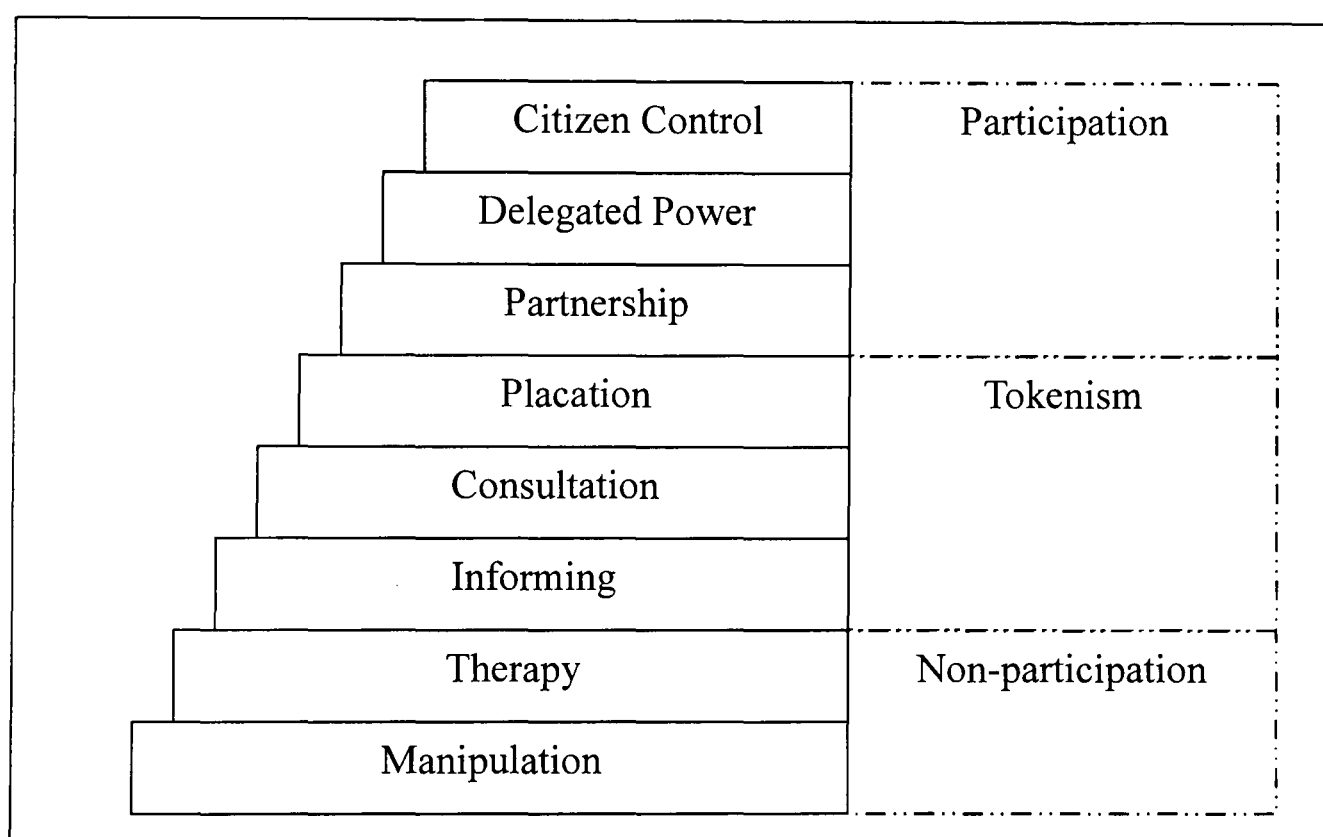
Jamal and Getz (1995) advocated that community involvement is critical to the overall sustainability of a destination. Failure to involve them might result in difficulties in implantation (see also Cook, 1982 and Murphy, 1985). There are, however, additional points that are worth considering. First, as Jamal and Getz (1995) argued, tourism takes on the characteristics of a public good that affects the public and employ public resources. Community members' attitude towards tourism, therefore, has critical relevancy. Second, community involvement is by nature an empowerment process (Choguill, 1996), or as part of the civil development process.

Governments in the process of involving community, as OECD argued, do not

give up their right and duty in policy-making. Seeley et al (1992) contend that community participation involves local autonomy in which members identify their options, make choices and manage their own development. It requires new attitudes and behaviours of both the development agent and the community.

The existing body of literatures on community involvement can be sub-categorized into various emphases, viz., level and mode of participation (for example, Arnstein, 1969; Pretty, 1995; and Choguill, 1996); the purpose of participation (for example, Jamal and Getz, 1995); and the logistics to mobilize participation (for example, Haywood, 1982).

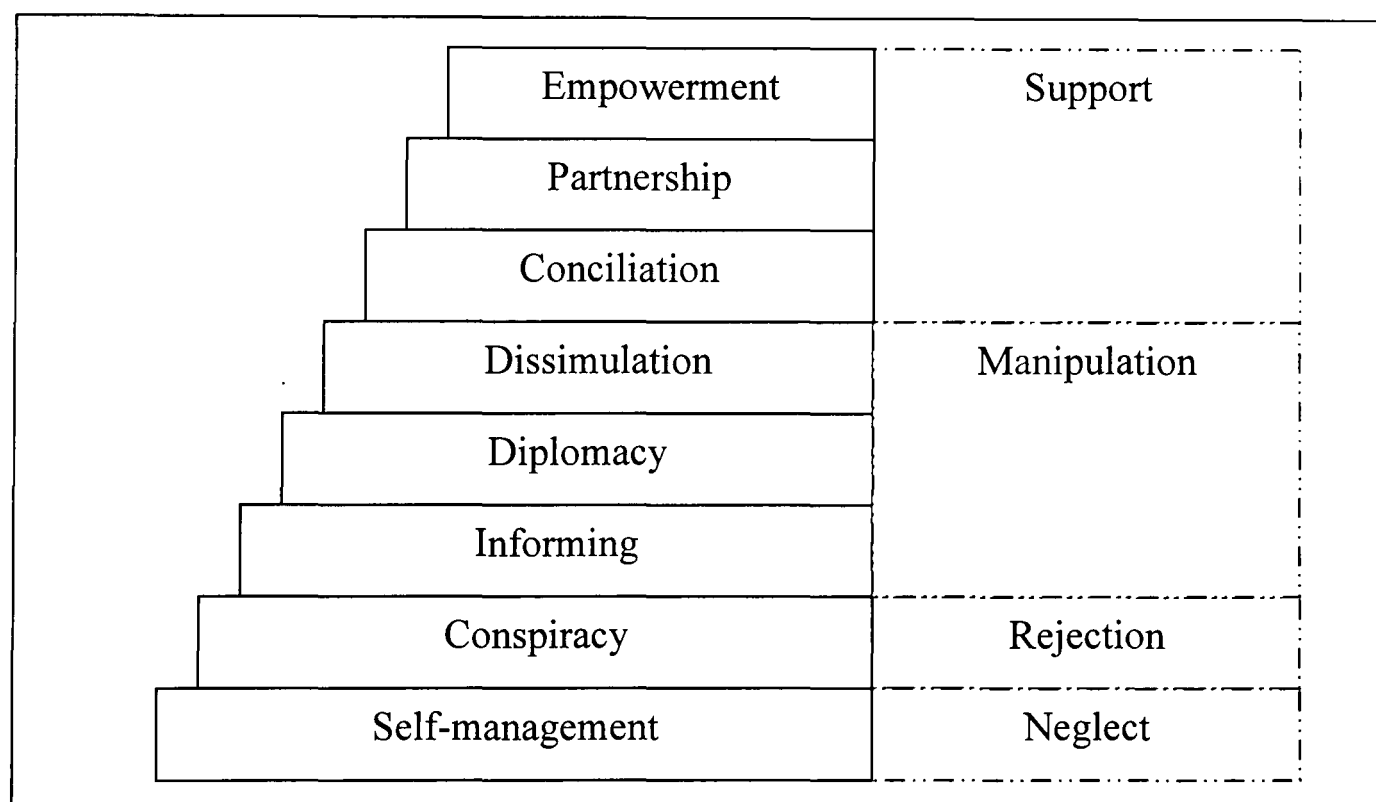
Figure 2.4: The Arnstein Ladder of Citizen Participation



Arnstein (1969) can be regarded as one of the forerunners in the conceptualization of participation. She sees citizen participation as a political process of power redistribution. In her conceptual framework, there are eight steps on the ladder of participation. They are manipulation, therapy, informing, consultation, placation, partnership, delegated power and citizen control. These steps fall on the continuum from non-participation to tokenism to participation. Arnstein's model was criticized for its inappropriateness for the developing world context. Pretty (1995) developed another model of participation (see Table 2.5), which is also applicable to local community involvement in tourism development. According to Pretty, a local community's involvement varies on a continuum from

non-participation to self-mobilize. Choguill (1996) based on Arnstein's model developed an eight-step LDC-specific model of community participation (see Figure 2.5). The different mode of participation included self-management, conspiracy, informing, diplomacy, dissimulation, conciliation, partnership, and empowerment. She argued that in the context of a developing community, individual is otiose and thus participation must be in collective terms. One of the most important insights of Choguill's model is the imperative of 'outside assistance,' by large NGOs. Her model, however, has the deficiency of concentrated on the poor and neglected the other segments of the community. Participation became a power play between government and the poor.

Figure 2.5 Choguill's Ladder of Community Participation for LDCs.



Despite the discrepancies among the three different models of community participation, there is one commonality. That is, the level and mode of participation ladder up from one extreme to another. This has an important implication in practice: participation might vary but development is progressive, therefore, promoting the highest level of participation all at one time is unnecessary.

Jamal and Getz (1995, as cited in Sautter and Leisen, 1999:313) contend that collaboration is a "process of joint decision-making among autonomous, key stakeholders of an inter-organizational community tourism domain to resolve planning problems of the domain and/or to manage issues related to the planning and

development of the domain.” Local communities, therefore, should actively participate in view of their benefits.

The level of participation and behaviours are somehow restricted and governed by contextual factors rather than arising out of people’s free will. For this reason, it is critical to investigate the factors that model the public’s behaviours.

Table 2.5: Various Level of Local Participation

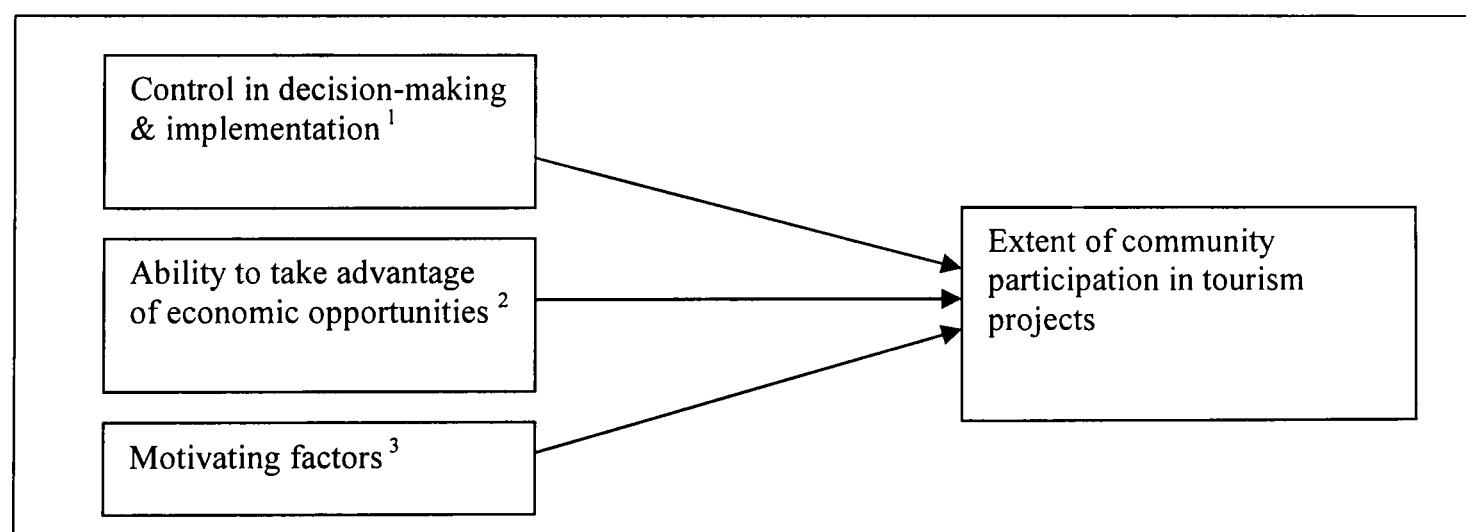
Types of involvements	Characteristics
Manipulative participation	Pretended participation. Representatives might be included on official boards but are neither elected nor have power to alter decisions of the board.
Passive participation	People are told about decisions rather than being involved. Not much information was shared with the publics. Their voices will not be heard.
Participation by consultation	Local communities were consulted or asked for input. External agents will define the problems, questions, soliciting mode and even control the analysis and results. The consultation might or might not concede any share in the final decision. The conductor of the process is not obligated to account for people’s view.
Participation for material incentives	The publics participate by contributing resources for material incentives. They are not really involved in the process and no learning or transfer of knowledge can be expected. Therefore, when the incentives are exhausted, the involvement will be halted.
Functional participation	Participation is seen as a means to accomplish project goals by reducing cost and counteraction. The publics may participate by forming groups to meet project objectives. Involvement may be interactive and involve shared decision-making but tends to arise only after major decisions have already been made. At worst, local people may still only be co-opted to serve external goals.
Interactive participation	People participate in the analysis, decision and execution process. Participation is a right of the people. The process involves interdisciplinary methodologies that seek multiple perspectives and use systemic and structured learning process. As groups take control of local decisions and determine how available resources are used, they have a stake in maintaining structures and practices.
Self mobilization	People participate by taking initiative to change systems. They develop contacts with external institutions for resources and technical advice but retain control over resources use. Self-mobilization can spread if governments and NGOs provide enabling supports. It may or may not challenge existing distributions of wealth and power.

Sources: Pretty, J. (1995). Regenerating Agriculture: Policies & Practices to Sustainability and Self-Reliance. Earthscan, London

Kayat (2002) argued that successful community-based tourism requires equitable participation and control by the locals. Locals must be empowered to enable their participation in the decision-making process, to control the development so as to affect the outcome of development, and to access opportunities (Bilinski, 1969; Kadir, 1997). The lack of empowerment would lead to the further marginalization in the process of development. They would become onlookers and victims of the tourism induced increment in their cost of living. The problem of local/rural poverty, therefore, would be enhanced rather than alleviated (Kayat, 2002).

Local participation and involvement is motivated and restricted by various factors. Kayat (2002) identified “control in decision and implementation”, “ability to take advantage of economic opportunities”, and “motivating factors” as the key denominators for the level of participation (see Figure 2.6).

Figure 2.6: Model on Factors Determining Local Participation in Tourism Development (Kayat, 2002)



Notes:

¹ involved in goals formulation, policy and strategy development, implementation, and monitoring.

² fair access to take advantage of employment, entrepreneurial, and income opportunities. The access is greater if one has the power and ability such as by having knowledge, linkage, and capital.

³ the determinants of the choice to (a) participate and (b) the choice to expend effort holding constant the effects of the ability.

Source: Kayat (2002)

Motivating factors, as Kayat suggested, include the desires to fulfil the need of self-development; to reassure the role in the development of the community; to belong to the group; to gain self-respect or to gain self-fulfilment. Economic benefits, however, were not identified as important. This finding is believed to be inter-related with the nature of the project in the study. Although Kayat’s research cannot be applied directly to the understanding of local communities’ participation

in tourism development in an LDC, it serves as an important stepping-stone to the subject. It also substantiated the importance of local participation in development. Community involvement is a critical yet infantile arena in the discipline of tourism and more research in this subject is needed.

The Third Sector

The use of non-government organizations to implement public policy has had its roots in the 19th century (Laville, 2000). It is the institutional alternatives outside the public-private dichotomy. It represents the intermediary organizational universe of non-profit, voluntary, non- or quasi-governmental organizations, including charitable institutions, churches, and community associations. The relationship between government and the Third Sector is sometimes described as a “zero-sum game” under the paradigm of competition. This notion of conflicts fails to convince and the contrasting reality is the extensive cooperation between the two sectors (Gidron, Kramer and Salamon, 1992). The Third Sector rectifies certain market and government failures (Anheier and Seibel, 1990); fills the vacuum created under the privatisation of social services and the retrenchment of the state; bridges the government and the private sector (Anheier and Seibel, 1990; Gidron, et al, 1992); provides various public goods and influences state policies (Laville, 2000; Starr, 1991). The reason why market and state failures have to be resorted to within the Third Sector rather than compensating them within the concerned sectors is yet to be explored (Badelt, 1990). The Neo-corporatist theories argued that there are functions that government cannot fulfil or can they be delegated to the private sector (Anheier and Seibel, 1990). The Third Sector emerges as an institutional response to the failures (the failure performance approach) or informational asymmetries of supply and demand (the transaction cost approach) (Badelt, 1990).

Table 2.6: Models of Government-Third Sector Relationship

Function	Model			
	Government Dominant	Dual	Collaborative	Third Sector Dominant
Finance	Government	Government / Third Sector	Government	Third Sector
Provision	Government	Government / Third Sector	Third Sector	Third Sector

Gidron et al (1992) developed a matrix of relationships between the third sector and government based on the role and mode of participation of the sectors (see Table 2.6). Although the model is over-simplified and excludes other sectors, it clearly illustrates that cooperation between the two sectors is on a continuum and a governance issue.

Although the Third Sector is taking more critical roles in social development, it has various shortfalls. The Third Sector, as an institution, is uncoordinated and weak. Entities are governed by divergent sources of funding, missions and agendas (see Eade, 2002). To create collaboration and a critical mass among them is difficult. Resources are wasted when various organizations offer similar services, known as “pillarization” (Gidron et al, 1992) while other areas are left unattended. Their mission, agenda and objectives might not be the same to those of the host community. Collaboration between government and the Third Sector is critical to ensure effectiveness and efficiency (Gidron et al, 1992). Although the Third Sector is expected to play a more critical role in tourism development (Brand, 2001; Tosun, 2000; Richardson, Dusik and Jindrova, 1998), related literature is scant.

Other External Sectors

In conjunction to the Third Sector are external interventions of intergovernmental organizations, foreign investors and governments. LDCs share one common characteristic: the paucity of resources. The lack of human resources, information, capital, technology and access to an international system constrained their development potential. LDCs, therefore, have to count on external interventions, viz., investment, aid and assistance. The industrialized world has a critical role to play in the Third World's development (Rostow 1990: xxiv). Foreign intervention not just satisfies the immediate capital requirement but also facilitates the development of local capitals (for example, Pine, 2001). The strengthening of the regional structure not only enhanced cooperation and transfer of technology and the flow of investment but also allows the west to extend its influence and control over the LDCs. In the wake of the globalization movement, national governments have less autonomy and sovereignty.

On the other hand, the utmost objective of aid projects, especially technical assistant projects, should be to enhance “capacity development”⁷¹ which Godfrey et al (2002) defined as “the process by which individuals, organizations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives.” In various incidents, however, projects have been carried out to solve problems and accomplish objectives of the donors rather than assisting and enhancing the local community’s ability to solve their own problem (Eabe, 2002). Foreign aid and assistance often come with conditions, which may or may not be beneficial to the host society. The researcher defines this syndrome as the backwash effect of international aid. The economic crisis that broke out in July 1997 marked an end to the East Asia miracle and turned into a ‘debacle’ (Wee, 2001). More importantly, it redefines the local, regional and international economic structures. A mechanism to direct these external resources for a concerted effect is critical. International intervention, aid and assistance, however, are less developed subjects in the disciplines of tourism and development.

As a summary, most of the existing tourism system models are functional and fall under the public-private dichotomy. These models either attempt to define tourism from a policy or a business operational prospective. Although various impact studies clearly indicate the political, social, economic and environmental implications of tourism, tourism is rarely taken as a socio-political issue. These operational frameworks failed to illustrate the complex relationships between elements and neglected critical stakeholders, viz., local communities, the Third Sector and international influences. The framework proposed by the researcher in this thesis attempts to develop a tourism system for LDCs that includes and features the complex formation of socio-political fabrics. The illustration and discussion of the proposed framework is given in Chapter 3.

Pro-Poor Tourism Strategies / Development

Another important area on tourism development is the emerging concept of pro-poor tourism. Tourism, as a development agent, is employed to rectify the problems of poverty and under-development. The objective is to bring about development and betterment of living to the poor. Tourism development in such a background has to be pro-poor. Various incidents, however, have demonstrated

that development might not necessary improve the living standard of the poor. In this instance, pro-poor tourism was propelled.

Chhon contended, “The war on poverty is not merely a policy but passion.” It requires a holistic and integrated approach, structural changes, and concerted efforts. Pro-poor is a relatively new term but the concept of development with poverty reduction as an objective is an extensively researched subject. The traditional wisdom holds that poverty will be alleviated as the economy grows. Economic strategies, therefore, will, by nature, deal with poverty. Experience, however, demonstrates the contrary for economic growth might not lead to poverty alleviation. Instead, a set of pro-poor strategies is needed. Gandhi, for example, asserted that the solution to poverty is to revitalize villages by developing village-based industry (Bharathi, 1994). Welfare economists, such as Sen (1999), argue for the need of capacity development and provision of a social safety net to ensure the welfare of the poor during the development process. Recent applications included the Poverty Reduction Strategy Papers of UNDP, the Global Knowledge Partnership Portal⁷² and the Pro-poor program by Charity Focus⁷³ by volunteers. UNDP translated the concept of pro-poor into the Millennium Development Goals, which aimed to eradicate poverty, enhance equality, and to enhance the rights of poor. In simple words, the challenge of pro-poor strategy is how the gain of the aggregate economic growth could be disseminated to the poor clusters (Ravallion and Chen, 2003).

Incorporating the pro-poor concept into tourism policy is an emerging trend among LDCs, Third Sector and researchers. Pro-poor Tourism (PPT) is defined as tourism that generates net benefits for the poor (for example, PPT UK⁷⁴; Ashley, Roe and Goodwin, 2001). To differentiate PPT from sustainable tourism, Ashley et al (2001) suggested that PPT place poverty at the core of the program rather than an element among the others.

The major difference between a market-led and a pro-poor tourism development agenda is that the latter is designed to counter the problem of poverty, inequality and marginality. Its major objective is to capitalize tourism development as a catalyst to promote development, which is interpreted as the advancement of the quality of living and the alleviation of poverty. It is of critical importance for tourism development since tourism might have adverse impacts on poverty

reduction. For example, the income inequality and inequitable share of wealth further enhances the frustration of the poor and worsens their livelihood. In addition, the development of tourism is normally geographical so, as the employment is being created for the concerned zone, marginalization follows for those outside the development zone. The government's income will also be eroded owing to the incentives given to attract investment. This reduction, especially for Cambodia where the RGC is operating on a deficit, could be serious, as it would mean further reduction of social benefits and provision of public goods.

There is no standard recipe for a community to follow in planning and implementing sustainable practices (Hoff, 1998:229). The contextual complexity, the desirable mode of development and the historical background of the community will determine the effectiveness and efficiency of the plan. A pro-poor strategy, thus, has to be target specific.

Hoff by reviewing various cases revealed a list of essential ingredients, which included leadership, vision, financial support, and an understanding that plans for economic improvement must be integrated with plans for the development of people and environmental protection. It is "unlikely that private market will satisfy a country's tourism policy objectives to produce a balance of facilities that meet the needs of the visitor, benefit the host community and are compatible with the wishes of that same community" (Wanhill, 1999:193). Governmental intervention and participation is, therefore, necessary. The extent and scope of governmental participation will derive from the nature of the business, the contextual environment, and the wish as of the community.

PPT suggested that pro-poor tourism is neither a specific sector nor a product but an overall approach, which unlocks opportunities for the poor. It established a list of underlying principles for Pro-poor tourism (see Figure 2.7).

Figure 2.7: Underlying Principles for Pro-Poor Tourism

- Pro-poor strategies need to be complemented by the development of a wider tourism infrastructure. A balanced approach is critical. If competitive products, transport systems or marketing do not exist, the industry will decline and so will any pro-poor strategy;
- Pro-poor principles apply to any tourism segment, though specific strategies will vary between, for example, mass tourism and wildlife tourism;
- Focus on expanding benefits, not just minimizing costs to the poor. Draw on lessons from other sectors (such as small enterprise, good governance, and poverty analysis) and apply these to tourism;
- Involve business in development initiatives and be commercially realistic;
- Do not expect all the poor to benefit equally, particularly the poorest 20%. Some will lose;
- Learn by doing: the effectiveness of pro-poor strategies is not proven, but we won't know what can be done to reduce poverty through tourism until more concerted efforts are made.

Source: Pro-Poor Tourism (PPT), UK
(http://www.pro-poortourism.org.uk/ppt_principles.htm)

Ashley et al (2001) emphasize the importance of government in the implementation of pro-poor strategies. Ashley and Jones (2001) and Ashley (2000) suggested the importance of inter-sectoral partnership.

In summary, different researchers have one common proposition: pro-poor tourism development requires supplementary public policies and tourism development strategies to be effective. However, this area is under-developed in the current literatures.

CAMBODIA SPECIFIC LITERATURE

An extended search for literature related to Cambodia was conducted in the early stages of the study. Although numerous articles, archives and books were identified and consulted, there is no material in related to tourism in Cambodia.

The paucity of information verified the need for this particular research. The search for materials and data continue throughout the research period and they were incorporated for analysis in this thesis.

SUMMARY

In conclusion, this chapter has summarized some literature and past research on tourism, tourism development, economics, tourism impacts and sustainable (tourism) development. Although it is not an exhaustive review of the related subject materials, it has served the purpose of providing a solid conceptual platform for the development of the theoretical framework of this research thesis.

The review of literature identifies five gaps in knowledge of the tourism discipline. They included:

1. Destination development and management specifically related to Cambodia is virtually unavailable;
2. Work related to tourism development in LDC is relatively scant;
3. The government's role in tourism development and management needs further exploration;
4. A socio-approach to tourism development is not yet available; and
5. The role of international intervention, aid and assistance in the development of tourism in LDCs have not been fully investigated and understood.

Further work is needed to expand the knowledge concerned. It also justified the need for this research.

²⁴ Organisation for Economic Co-operation and Development, Tourism Development and Economic Growth, Estoril, Portugal, 8-14, May 1966, Paris 1967

²⁵ William C. Gartner, Tourism Development: Principle, Process, and Policies, Van Nostrand Reinhold, 1996: 1.

²⁶ Although there exist various definitions about development, Development is still a defining concept. It is an objective(s) and interpretations more than a concept. It varies according to the specific objectives, missions and axiom of the user. Although various organization and entities, such as World Bank has given development a generic / board definition, it has to be re-defined in each and every cases of investigation and planning.

²⁷ The developmental symmetry syndrome refers to the situation where development triggered marginalization. While some benefit from the process and enjoy betterment in live, other were trapped in enhanced poverty.

- 28 "Absolute Poverty is defined as a per capita income of less than US\$ 1 a day. For comparative purposes income is calculated on the basis of equivalent and comparable levels of purchase power. Another frequently used poverty definition is income necessary to maintain a subsistence intake of 2,150 calories a day. A comparison of the results of using these two definitions shows slight upward and downward shifts in the number of absolute poor per country but the orders of magnitude revealed by the two approaches are quite close." (World Bank)
- 29 Rostow, Walt. 1959. *The Stages of Economic Growth: A Non—Communist Manifesto*
- 30 The General Agreement on Tariffs and Trade (GATT) was first signed in 1947.
- 31 Ichimura (1988) summarized ten common factors for the Asian economies' rapid growth and their resistance to external shocks: The high rate of capital accumulation; The high saving ratio; Successful transfer of technology for agricultural development and industrialization; Highly qualified human resources with a declining fertility rate; Virtuous circles of export-led growth in the open economies; The locomotive roles of the United States and Japan; Relatively sound fiscal and monetary policies; Tolerable distribution of income; Fairly reliable public and private institutions; and Infrequency of social unrest and political instability. (Ichimura, Shinichi (edited). 1988. *Challenge of Asian Developing country: Issue and analysis*, Asian Productivity Organization, pp17)
- 32 Gerschenkron, Alexander. 1962. *Economic Backwardness in Historical Perspective*
- 33 Oxford's Advance Learners' Dictionary, 1994.
- 34 United Nations Development Programme. 1994. *Human Development Report*. New York: Oxford University Press, 13.
- 35 Edgell, 1999:58-59
- 36 Russell (1995: 274-276) defined policy as the administration direction, usually general and abstract, which serves to give the conceptual and principle means for thinking about a social problem. Programme, on the other hand, is the set of specific procedure or plan for attempting to reach the goal spelled out in a policy. Tourism in this thesis is defined as a administrative / economic programme for accomplishing the goal of reducing poverty and improving living standard of the general publics. It is a means to an end rather than an end in itself.
- 37 Powers, Tom. Barrows, Clayton W. *Introduction to the Hospitality Industry*, Wiley, 1997, pp380-381
- 38 In Lickorish, 1991.
- 39 There were more than 600 million international tourists in 1997 plus a ten-fold domestic market (WTO 1998). In 1991, the worldwide gross output for tourism was US\$ 3.2 trillion, accounting for 6 per cent of the world's gross national product.
- 40 Lundberg, Donald E., Stavenga, Mink H., Krishnamoorthy, M., (1995), "Tourism Economics", John Wiley & Sons, Inc., preface ix
- 41 Leakages of foreign exchange earnings are a major obstacle to the positive contributions of tourism to development. Leakages is the process whereby part of the foreign exchange earnings generated by tourism, rather than being retained by tourism-receiving countries, is either retained by tourist-generating countries or remitted back to them. It takes the form of profit, income and royalty remittances, payments for the import of equipment, materials and capital and consumer goods to cater for the needs of international tourists, the payment of foreign loans, various mechanisms for tax evasion, and overseas promotional expenditures.
- 42 McManus, Geraldine. *Making the most of mega events*, Management-Auckland. 46(2): 30-35. 1999 Mar.
- 43 Dieke (2000) estimated an figure of 11.3 million jobs globally in 1997 and Edgell's (1999:14) estimation is nearly 250 million jobs in 1999.
- 44 Although this argument is not available in ther literature, it has been a perception of some tourism authorities in China and Cambodia.
- 45 Gartner, William C. *Tourism Development: Principle, Processes, and Policies*, pp12
- 46 Randall, Clarence B., special assistant to the President, Report to Eisenhower, President of the United States: *International Travel*, 17th April 1958. Cited in Edgall (1999:9).
- 47 An official strategic statement published on WTTC's website (<http://www.wttc.org/resour...peeches/peacethroughtourismNov2000.asp?>) on 4th February 2002. WTTC is an non-governmental organization composed of executives from large international tourism related companies
- 48 While the WB's two main lending units, IBRD and IDA, do not finance tourism projects, its affiliates, International Finance Corporation (IFC) and Multinational Investment Guarantee Agency (MIGA), support tourism through equity investment, insurance, guarantees, and other

mechanism (Anon. 1998. Press Release: World Bank and WTO examine role of tourism in development. Retrieved on January 10, 2001 from WWW: <http://www.worldbank.org/html/extdr/extme/1853.htm>)

- ⁴⁹ in Dieke, 2001
- ⁵⁰ Hall, Colin Micheal, *Tourism and Politics: Policy, Power and Place*, Wiley, 1994, pp108
- ⁵¹ Organisation for Economic Co-operation and Development, *Tourism Development and Economic Growth*, Estoril, Portugal, 8-14, May 1966, Paris 1967, pp12
- ⁵² Quoted in Cuiker, 1998.
- ⁵³ in Ringer 1998
- ⁵⁴ ODCE. 1995. *Governance in Transition*. Paris: ODCE
- ⁵⁵ Quoted in Cuiker, 1998.
- ⁵⁶ in Ringer 1998
- ⁵⁷ Lickorish, L.J., 1991, *Developing Tourism Destinations: Policy and Perspectives*, Longman, pp5
- ⁵⁸ Cooper, Chris., Fletcher, John., Gilbert, David. and Wanhill, Stephen, *Tourism: Principle and Practice*, Longman, 1996, pp1
- ⁵⁹ Laws, Eric, *Tourist Destination Management: Issues, Analysis and Policies*, 1995, pp4
- ⁶⁰ Squire in Ringer. 1998
- ⁶¹ Squire, Shelagh J. *Deography and tourism in the Canadian rockies* in Ringer, Greg (Ed.) *Destinations: cultural landscapes of tourism*, Routledge, 1998, pp82-83
- ⁶² Squire. 1998. In: Ringer 1998
- ⁶³ While some accuse tourism of being an evil, which promotes changes to the ethnic society, westernises their way of living, commodifies and destroys their traditions and culture, others suggested that it promoted cultural exchange and enhanced living quality.
- ⁶⁴ A system is an object of study (Hall 2000:44), which comprises a set of elements or entities; the relationships between them; and the relationship between elements and the environment. The study of the system can also be regarded as a study of institutional theory. Badelt (1990) suggested three dimensions: the range of choice, the formation of institutions, and the comparative analysis of alternatives.
- ⁶⁵ Cited in Robinson, M. Evans, N. Long, P. Sharpley, R. and Swarbrooke, J. (2000). *Management, Marketing and the Political Economy of Travel and Tourism*, Business Education Publishers Limited, pp537-554.
- ⁶⁶ McKercher's (1999) tourism model consisted of nine elements: travellers; communication vectors; other tourism-related externalities; considerations; external tourism agencies; non-tourism related externalities; destination or internal tourism community; rogues and outputs.
- ⁶⁷ Ison (1993. Cited in Oreszczyn, 2000) referred to hard system traditions as seeking efficient achievement of goals and objectives; assume systems can be engineered and modelled; and attempt to provide solutions to problems.
- ⁶⁸ Clientelism is defined as the exchange relationship between a client and a patron (Kurer, 1997:31).
- ⁶⁹ Government failure is referred to as failure to provide public and semi-public goods and services needed to maintain the society and its public's welfare. For example, Seibel and Anheier (1990) define failure to meet the minority demands for public and semi-public goods as a form of government failure.
- ⁷⁰ The term "commanding height" come from the book *Commanding Hights: The battle for the world economy* by Daniel Yergin.
- ⁷¹ UNDP (1997) suggested that capacity development has four dimensions: the development individuals' ability and the conditions for these ability to be used productively; development of organization or entities to house the calibre; strengthen the interrelationship between entities; and to promote an enabling environment for addressing cross-sectoral issues (cited in Godfrey et al, 2002).
- ⁷² Global Knowledge Partnership is a multi-disciplinary partner of governments, NGOs, inter-governmental organizations and the Third Sectors on poverty alleviation. More information can be found on <http://www.globalknowledge.org>
- ⁷³ Charity Focus is an experiment by volunteers to build websites, provide technical assistance, and engage in a wide variety of projects designed to benefit the many non-profit organizations dedicated to public service. More information can be found on <http://my.charityfocus.org>
- ⁷⁴ Pro-poor Tourism is a collaborative research centre in UK made up by the Overseas Development Institute (ODI), the International Institute for Environment and Development (IIED) and the Centre for Responsible Tourism (CRT). Case studies were funded by the UK Department for International Development (DFID).

Chapter 3: a Conceptualization of the research model

INTRODUCTION

As revealed in Chapter 2, there are gaps in the existing theoretical knowledge about tourism in LDCs. Most of the existing frameworks have a strong emphasis on the private business sectors (McIntosh and Goeldner, 1984; and Culpan, 1987; Mill and Morrison, 1992). The interaction and relationship of the components of the models are largely governed by the free market capitalistic paradigm, which suggests that when everyone works for maximising his own good, the total wealth and will be maximize. This has proved to be less than perfect in various cases, especially in LDCs where the legal system, social welfare and economic institutions are backward. Tourism, as Jafari (1987) argued, is not just a business transaction but a complex interaction between the ordinary (generating system) and the non-ordinary (receiving system). He proposed a model of tourism that incorporated the socio-cultural aspects. The model, however, is too simplistic and difficult to apply in policy making.

Culpan (1987) proposed to use an open-system approach to model tourism. His model, however, is still very much an industry model. Dieke (2000) strategically defined tourism as a political economic domain but has not been able to define a model that can be applied to various developing countries.

While some of the frameworks attempt to illustrate the role of government and public sectors, they tend to follow the “hard tradition” of the system approach, which is aimed at providing solutions to problems. This chapter addresses gaps in the theory and develops an integrated model of a tourism system within a macro setting. A metamorphosed model of a tourism system based on the work of Lundberg et al (1995) as illustrated in Figure 2.2, has to be revisited for its deficiency in capturing the critical contextual factors of the system. A revised model (see Figure 3.11) was then constructed to cater for the complexity and critical factors of tourism in LDCs. One generic model that covers all aspect of tourism for all LDCs tourism development is not feasible. Therefore, in this chapter, a series of models were constructed and capitalized to describe tourism and its systematic constructs in LDCs.

The models presented in this thesis are not the answers to tourism development but rather tools that facilitate future researchers to model destination specific models. They serve as the initial frameworks for approaching the complex dynamics of tourism systems and addressing how the factors that make up the system work and interact with one another. This directly relates to the question of generalisability. This thesis, as mentioned before, is not to verify external validity (generalization to population) until such time when the model is applied and tested in other destinations.

Generalisability also depends on what the model is about and its objectives are. The proposed soft system model addresses the questions of how and why the system works rather than what factors constitute the system. In this perspective, generalization is not so much a critical issue because when a researcher adopts the model to his or her study of tourism in an LDC, the model assists him or her to investigate the situation and to provide an understanding about why things happen in such a way and what does it mean to the stakeholders. The model can be seen as a starting point to the construction of a destination specific framework rather than directly applied it as a universal protocol. Alternations and modifications are often necessary. This, however, does not harm the value of such a model.

An additional point for consideration is that although every destination has its own unique characteristics, the nature of underdevelopment and the problems associated are relatively homogeneous. For example, the problem of poverty, the possibility of corruption and the administrative ineffectiveness are very common among various LDCs. The model and the recommendations of this thesis, therefore, should contribute to the development of other LDCs.

As Maxwell (1996) argued, it is not necessary to have an observer-independent “gold standard” to which researchers can compare their account for validity. All that is required is the possibility of testing these accounts against the world, giving the phenomena that are trying to understand the chance to prove them wrong. Haynes (1996:13) related his argument to James Manor’s polemic of complexities and suggested that any single trajectory model is virtually infeasible. The model should incorporate a more dynamic illustration of the interaction of domestic and international factors, the emerging trends of the modern world, and the uniqueness

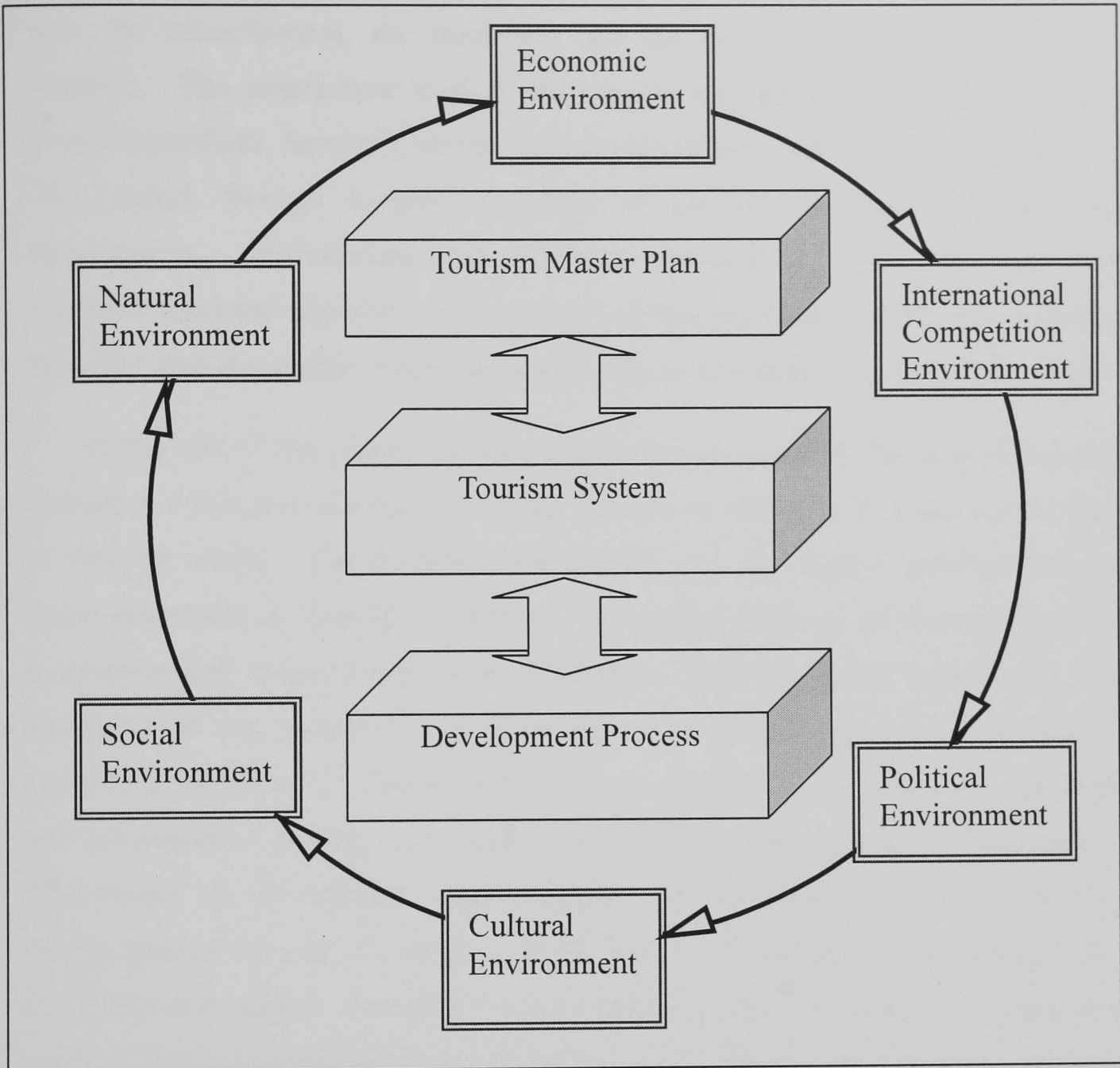
of the concerned subject of study. In other words, flexibility is the core issue.

TOURISM HYPER-STRUCTURE

The hyper-structure model of tourism development (Figure 3.1) comprises three tiers: the master plan, the tourism system and the development process. Although the main objective of this thesis is to study and conceptualise the systems model of tourism, a brief discussion of the whole structure is critical for understanding the system and how it works. In the following sections, each of the components and the relationships / interactions will be analyzed.

The logistic framework is embossed into a macro-contextual setting, which includes the economic environment, the cultural environment, the political environment, the social environment, the international competitive environment (market environment), and the natural environment. The illustration of these details derives from the inter-relationships, interference and the interdependence of tourism and its environment. In other words, the design and formation of the tourism system is unavoidably affected by contextual factors, which in turn affect them. The study of Cambodia's tourism needs to start with its macro-contextual settings. On the other hand, the tourism system can be viewed as a mediator to realize the master plan and to accomplish the development goals. Tourism is regarded as a development tactic, which has bigger missions than simply promoting tourist businesses.

Figure 3.1: Model of the Tourism Hyper-Structure



Tourism Master Planning

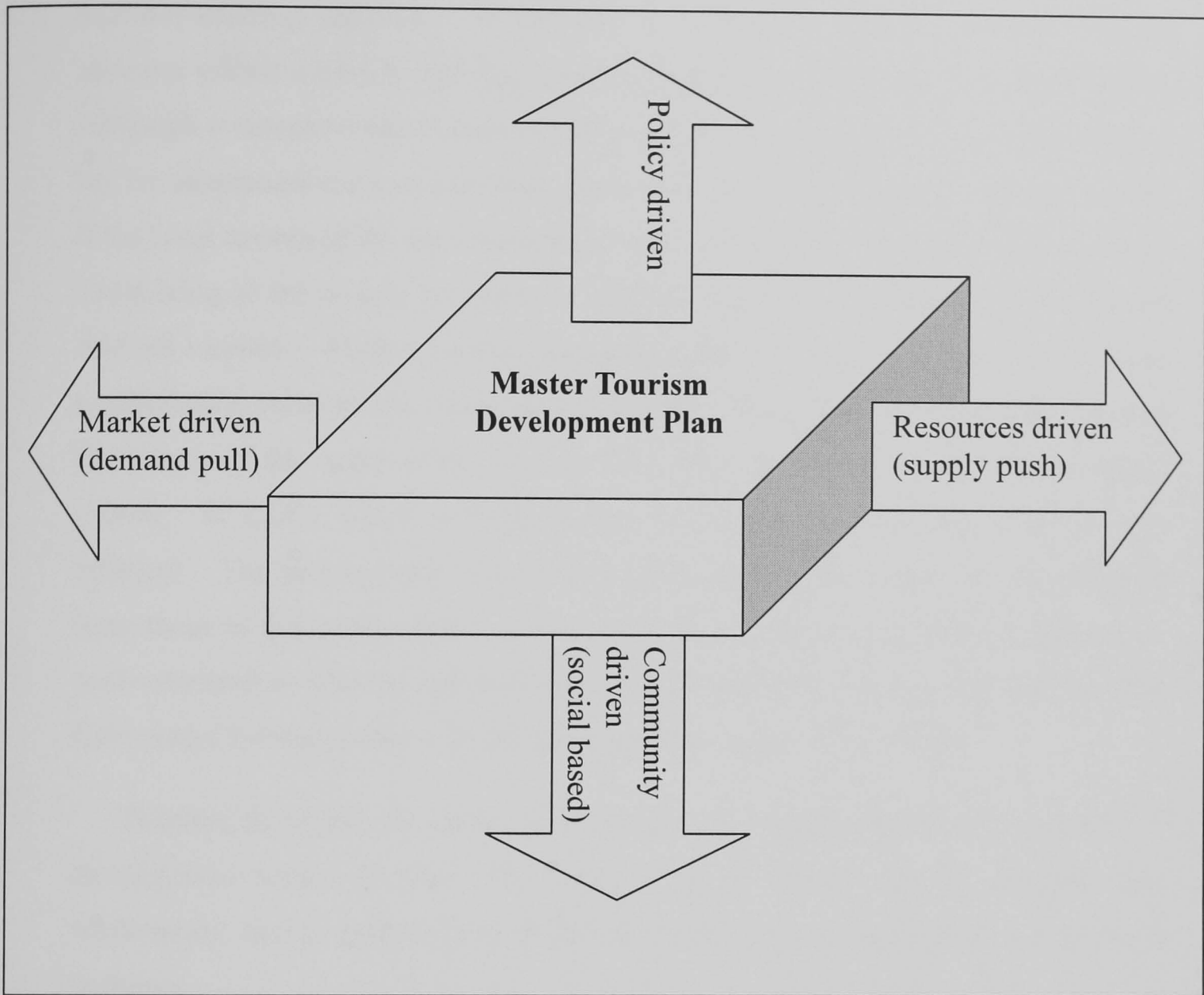
“Many people feel that the idea of planning places too much power in a governmental bureaucracy. Because urban planning departments have become a legally sanctioned institution of many city governments, many people resent bureaucratic control over what they believe to be their freedoms, especially for land use and development⁷⁵.” Gunn, C. (1994).

As with other forms of development planning, the tourism plan is driven, governed and constrained by various forces and interests. Owing to the complex nature of tourism, tourism master planning can develop along two continuums: the demand driven vs. supply determined direction, and the community base vs. policy determined approach (see Figure 3.2).

The pure demand-driven approach is governed by the market-oriented capitalistic paradigm, which assumes that tourists' needs and wants determine the size, the attractiveness, the feasibility and the actionability of each particular segment. The satisfaction level of the tourists determines the level of success. Touristic products, therefore, should be built around the needs of the selected targets. The market, through business decisions of the private sector, would direct development. Government and the host communities have relatively little influence upon the decision. The strength of this approach is that it has a strong, tight link with the market, which has a high chance of success in terms of business.

At this end of the continuum, development is governed by the assumption that tourism is a business and the free market capitalism can and will maximize welfare as business return. The researcher suspects that the free market mechanism has a major drawback in developing tourism. Regarding tourism as a commodity for acquisition and consumption of the customers (tourists) is not appropriate. As illustrated in the literature review, tourism is a social function as well as a commercial activity. It interacts with the host community. It builds on attractions and infrastructure sharing with other interests of a diverse group of stakeholders. "Free-riders" of the industry might capitalize the opportunities to maximise their private interest even at the expense of the macro environments and sustainability. Environmental quality, sustainability and welfare might be traded for short-term profit. The fragmented nature of the tourism sector makes it hard, if not impossible, to regulate itself for the benefits of the community as a whole. Therefore, as a conclusion, a pure demand driven tourism plan is undesirable.

Figure 3.2: Tourism Development Plan



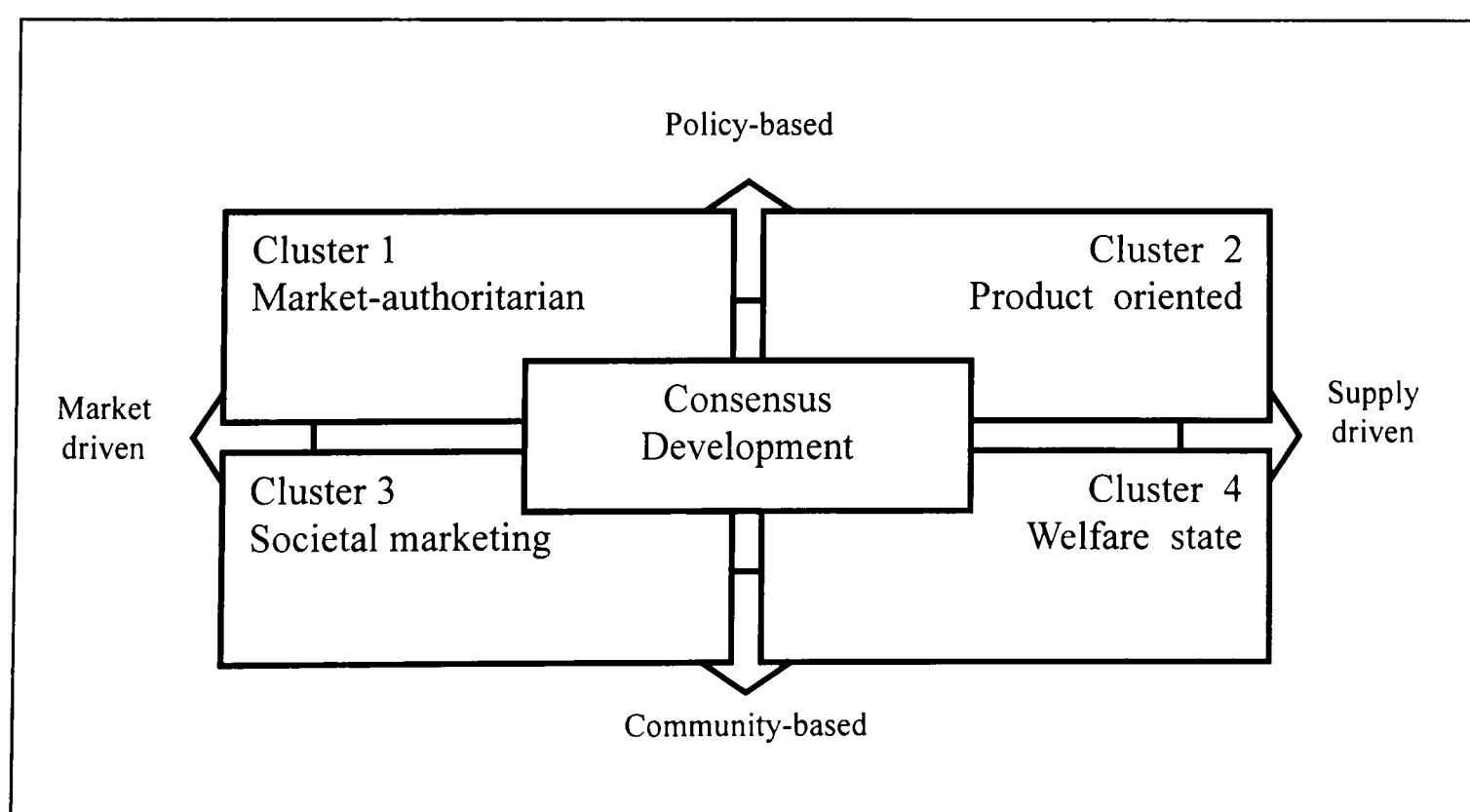
The pure supply-determined mode is mainly governed by the available / potential attractions and facilities. The carrying capacity, environmental sensitivity, and the preferences of the hosting community, therefore, will determine the nature and volume of business. In other words, tourism is constructed around resources and development is domestic needs driven. A pure supply-led mode of development has its weaknesses too, for instances in the disregard of market needs and competition.

The policy-driven orientation rests on development as the outcome and is part of overall political considerations. Hence, other policy and political agenda prevail in the development of tourism. One of the unique features of this approach is that tourism is regarded as an agent of and for development. The level of support received from the policy maker is determined by the expected contribution of tourism as an economic activity and its relative importance compared to other sectors or industries.

The community-based approach explained in this model attempts to employ the macro-marketing principle. It attempts to maintain a balance between various interests within a society and has a strong emphasis on the will of the local public. Although it seems to share many commonalities with the policy driven approach, it has its uniqueness in its power being given to the local community. In other words, if the local communities see it as appropriate to forego the economic benefit tourism could bring to the society in return for cultural dignity and sustainability, they could rule out tourism. From a western democratic point of argument, there might be no contradiction between the community and policy based mode of development since the voices of the communities will be heard and well-represented in the political system. In LDCs, where authoritarianism is endemic, the situation could be very different. On the one hand, the political elites' preferences might be very different from those of the local public. On the other hand, the general public might not be well-informed or may be marginalized by the inequality of the power share so that their voices became either manipulated, biased or are not heard at all.

Tourism development under these competing direction falls into a matrix of development modes (Figure 3.3). Each of these clusters has its strengths and weaknesses, and is preferred by different sectors and is appropriate for different purposes.

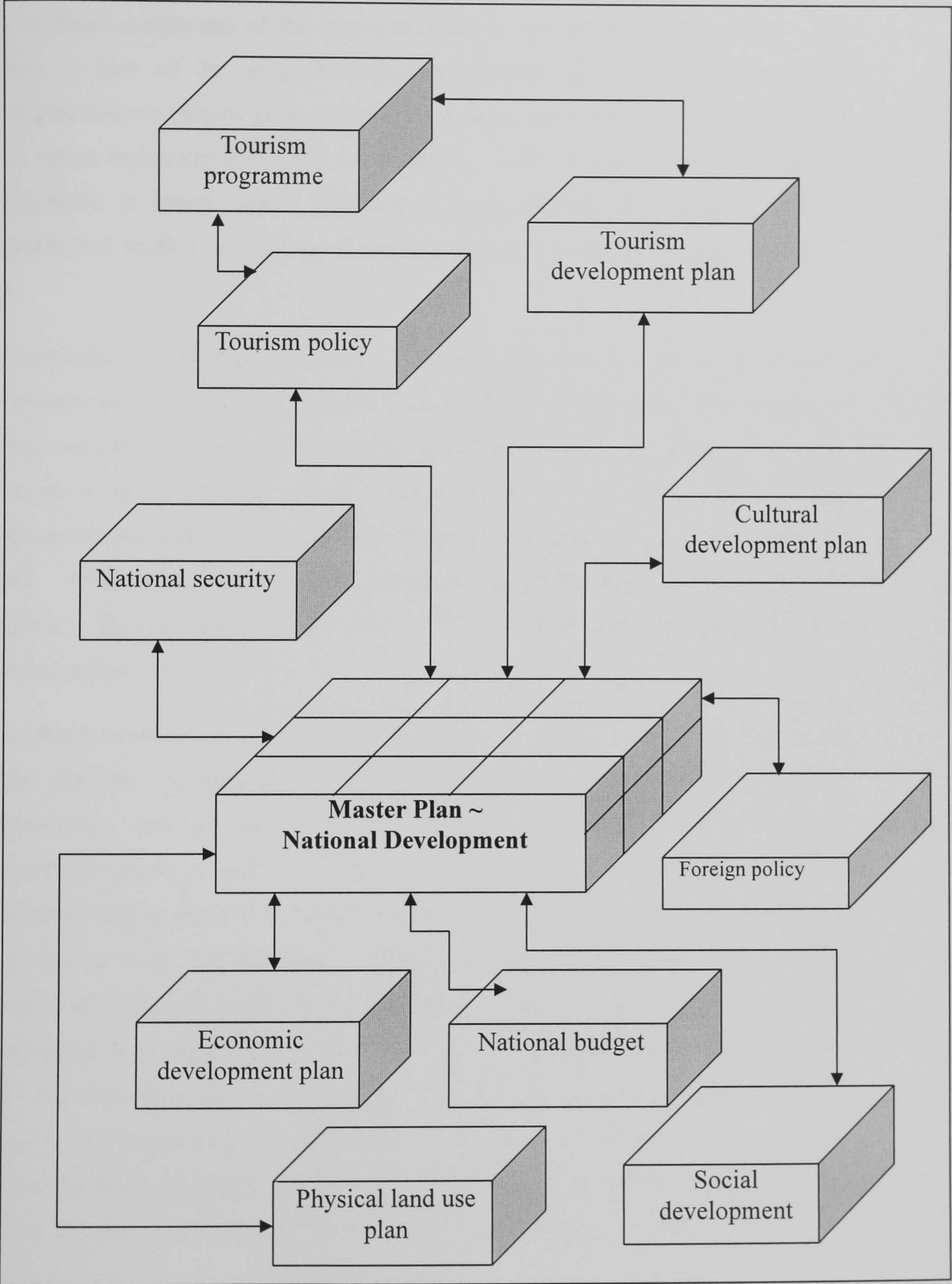
Figure 3.3: Tourism Development Modes



These different approaches are not mutually exclusive. It is possible to apply a consensus development strategy, which incorporates the various considerations into the decision criteria. The application of planning orientation should be governed and guided by the specific nature of the host community. This position also indicates the need for a centralized coordinator who manages the planning and execution of tourism and related activities. Owing to the calibre presented in the communal sectors, the researcher believes the government or a quasi-official agency would be appropriate for assuming such a leading/coordinating role.

Figure 3.4 illustrates a possible composition of strategic plans that can make up a national development plan. It has been simplified for presentation purposes. The main purpose is to highlight the complicated relationship between various plans. Despite not all linkages between components have been shown on the figure, it is critical to understand that components are intertwined with one another. For example, tourism programme, which represented the logistic management and promotion of tourism on a national level is financed under the national budget and affected by the national security and foreign policy. They provide inputs into each another and compete for attentions and resources. This is one of the reasons why McKercher (1999) suggested using a chaotic approach. This also supported the researcher's argument that tourism planning has to be conducted by government, probably through a top down authority chain in the case of LDCs. Despite the fact that such an approach has been largely disfavoured by modern economies, it seems to be critical and necessary for LDC tourism development owing to the limited resources and the complexity of the development.

Figure 3.4: The Formation of National Development Plans



Development

A critical component of the hyper-structure is the development process. As tourism is part of the mega-development process, the outcomes of tourism development serve various purposes laid down by the government, led by the wishes of the public and restricted by the environment. The outcomes of tourism have to be expressed in plural form. Although impacts, positive and negative, can be examined and studied in confined dominants, the study of tourism needs a holistic view.

Development is an arguable issue. Development has been studied and defined as a process and as a goal (for example Goulet, 1971). Development, in this thesis, is a process with modernity and prosperity as milestones and alleviation of suffering and poverty as the targeted results. There has been a general perception that development, economic prosperity and alleviation of poverty will synchronize by default. Once development is activated, prosperity will emerge and poverty will be mitigated. This perception can be naïve. There is no certain relationship between these conceptual domains.

A single trajectory for community development does not exist. It has to be context specific. In addition, the local community might not prefer development, modernization and prosperity at all. From a post-modernism viewpoint, development means evolution and change. While the process of development is unavoidably taking place on a continuous base, the community's wish to preserve the traditional way and standard of living should be respected. The western definition of modernity might not be preferable to an ethnic society. However, globalization may manipulate LDCs' choices. Development was enforced upon LDCs by their developed counterparts. While opposition is getting louder⁷⁶, change to this mega trend seems remote. If development is to enhance people's freedom of choice, then it is paradoxical to promote a development under which the freedom to protect, to preserve and to retain the way of living are restricted.

Toffler (1980) structurally modelled economic development into three waves: the agricultural revolution, the industrialization and the development of information /service economy or the so-called "third wave". The traditional linear stage modelling of development would serialize these three waves in a sequential order.

In other words, industrialization will come after agricultural development and the development of the information economy will have to be built on a solid / industrialized economic structure. Toffler, however, argues that an economy could directly plug into the development of a service economy. Tourism, in fact, has been an example. Furthermore, to many small island economies and LDCs, large-scale industrialization is effectively not an option.

The development of the host society is multi-dimensional. Figure 3.5 illustrates the co-related developmental dimensions. Among all these different facets of development is the lifecycle of the subject destination. The researcher has selected Law's (1995) model as a base to build a more extensive model. This model has three critical modifications to Law's model. First, through rejuvenation, the model offers an opportunity to be a closed cycle. Second, it extends to a discussion on the impacts, especially those negative ones, which tourism might have on the host community. Third, it builds into the model a much stronger emphasis on the management and marketing of the destination (see Figure 3.7).

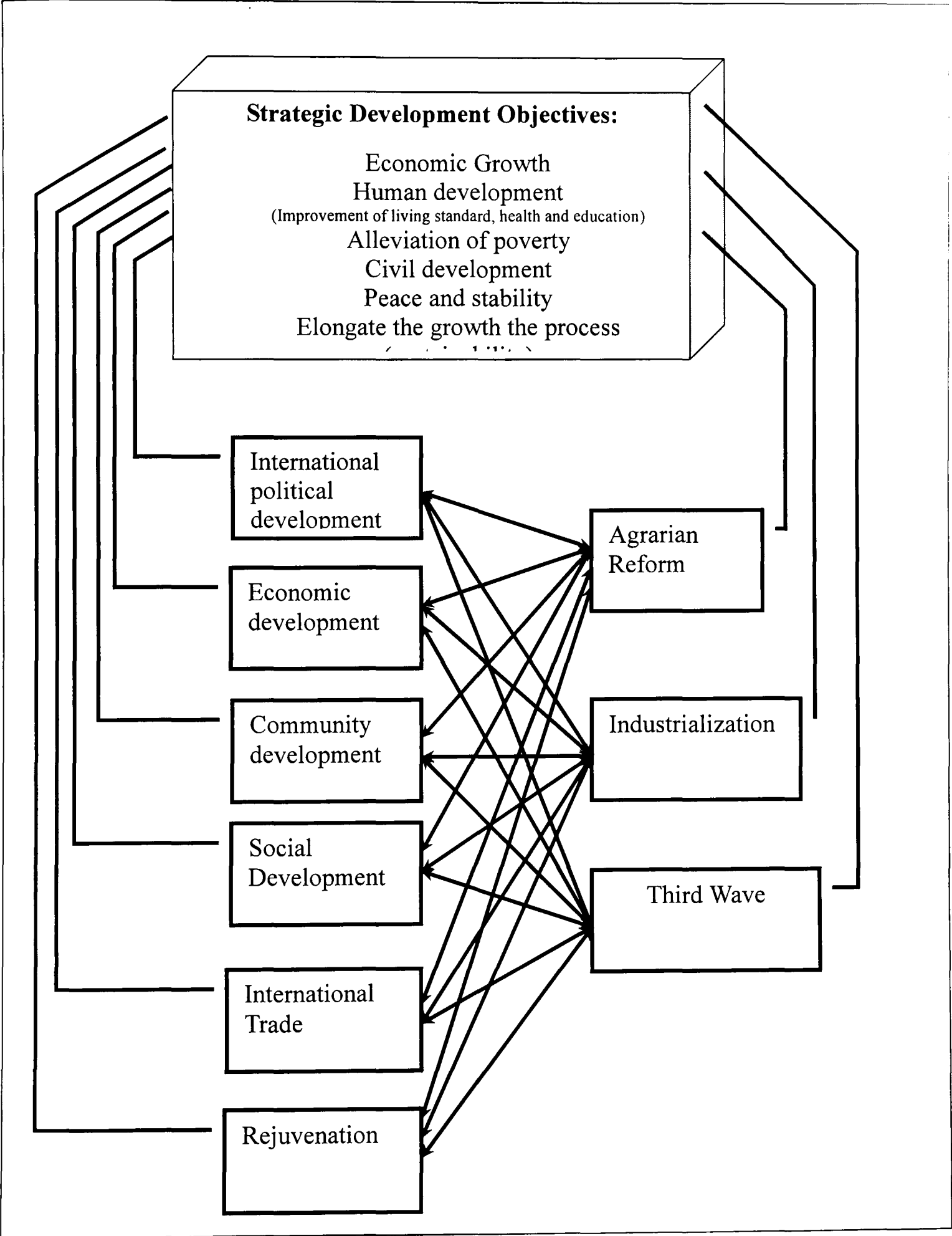
Development is not the end of the programme. It is, in fact, a cycle. Development, as an outcome, becomes input for planning and the whole process repeats itself again. Development, as a continuous process, is constrained, regulated, directed and promoted by various contextual factors. As a result, the planning and controlling mechanism has to be equipped with adequate flexibility.

Development is a process rather than an end. Any development agent, including tourism, therefore, has to be set against this developmental backdrop to rationalize its existence (see Table 3.1).

Table 3.1: Goals and Means of Development

Goals to be accomplished	Means
Alleviate poverty	<ul style="list-style-type: none">• Improve earnings (GDP)• Foreign direct investment• Create employment
Equitable distribution of income and opportunity (anti-marginalization)	<ul style="list-style-type: none">• Empowerment• Community involvement• Taxation• Provision of public goods• Social safety net
Preserve cultural heritage	<ul style="list-style-type: none">• Create market and revenue for folk arts and cultural assets• Create market for historical heritage
Promote ethnical dignity	<ul style="list-style-type: none">• Create mutual understand, appreciation and sense of belonging among fellow citizens
Improve economic competitiveness	<ul style="list-style-type: none">• Technology transfer• Less rely on failing / inferior economic activities
Overcoming the problem of lacking of local capital	<ul style="list-style-type: none">• Foreign direct investment
Promote regional peace	<ul style="list-style-type: none">• Promote mutual understanding

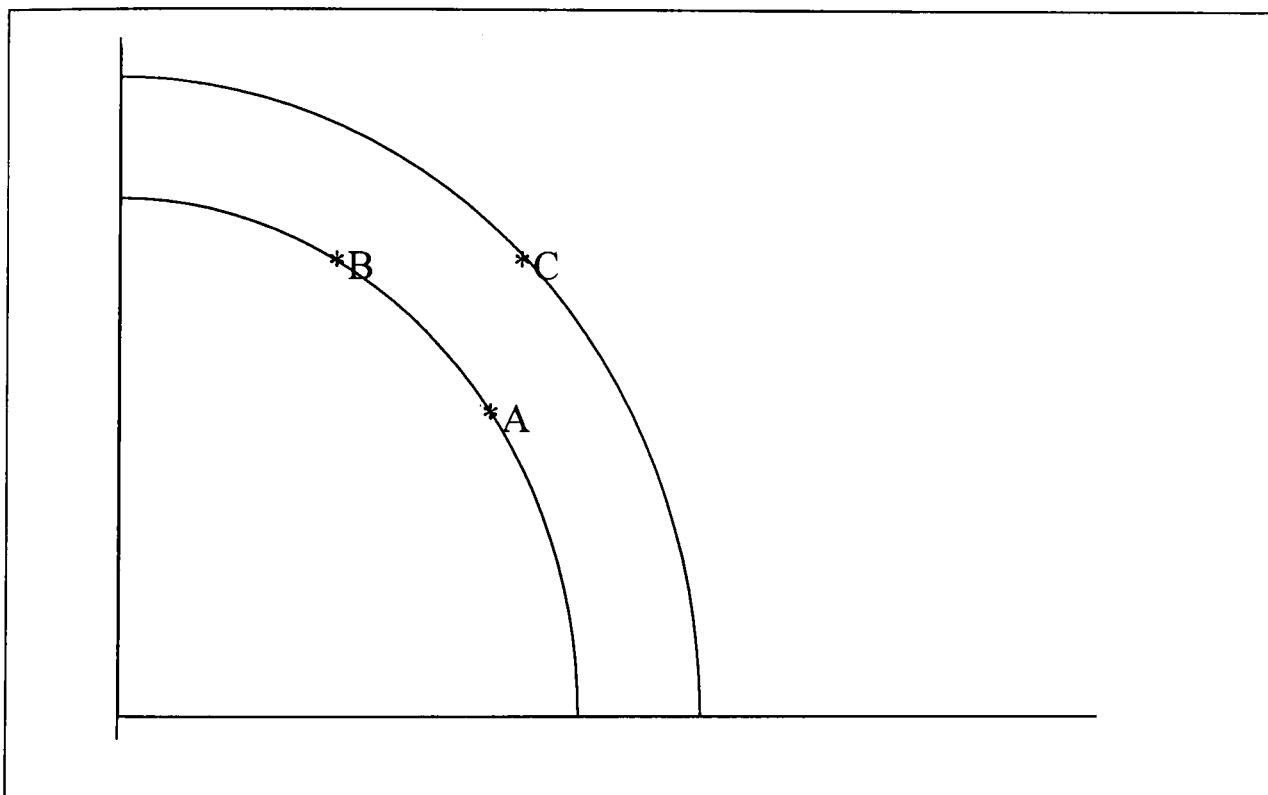
Figure 3.5: The Macro-view of Development Process



Tourism Development and Sustainable tourism development

Sustainable development is the attempt to escape the “limits to growth” (Wanhill, 1998: xiii). Wanhill argues that from an economic point of view, local income / employment and the environment is negatively co-related. The increment of income or employment will come at the expense of the quality of the environment. Therefore, for development to be sustainable in nature requires the modification of the structural relationship by pushing the curve upwards.

Figure 3.6: The Concept of Sustainable Development



Source: Wanhill (1998: xiii)

Wanhill (1998:xiii) also argued that “too often there is talk of high quality tourism yet performance is measured in visitor numbers... the unfettered operation of the market may lead to results which are contrary to what are desired.” In other words, planning for tourism development should take into account the quality and sustainability of the various environments concerned. Any unsustainable development initiative would only lead to detrimental impacts on future development potentials.

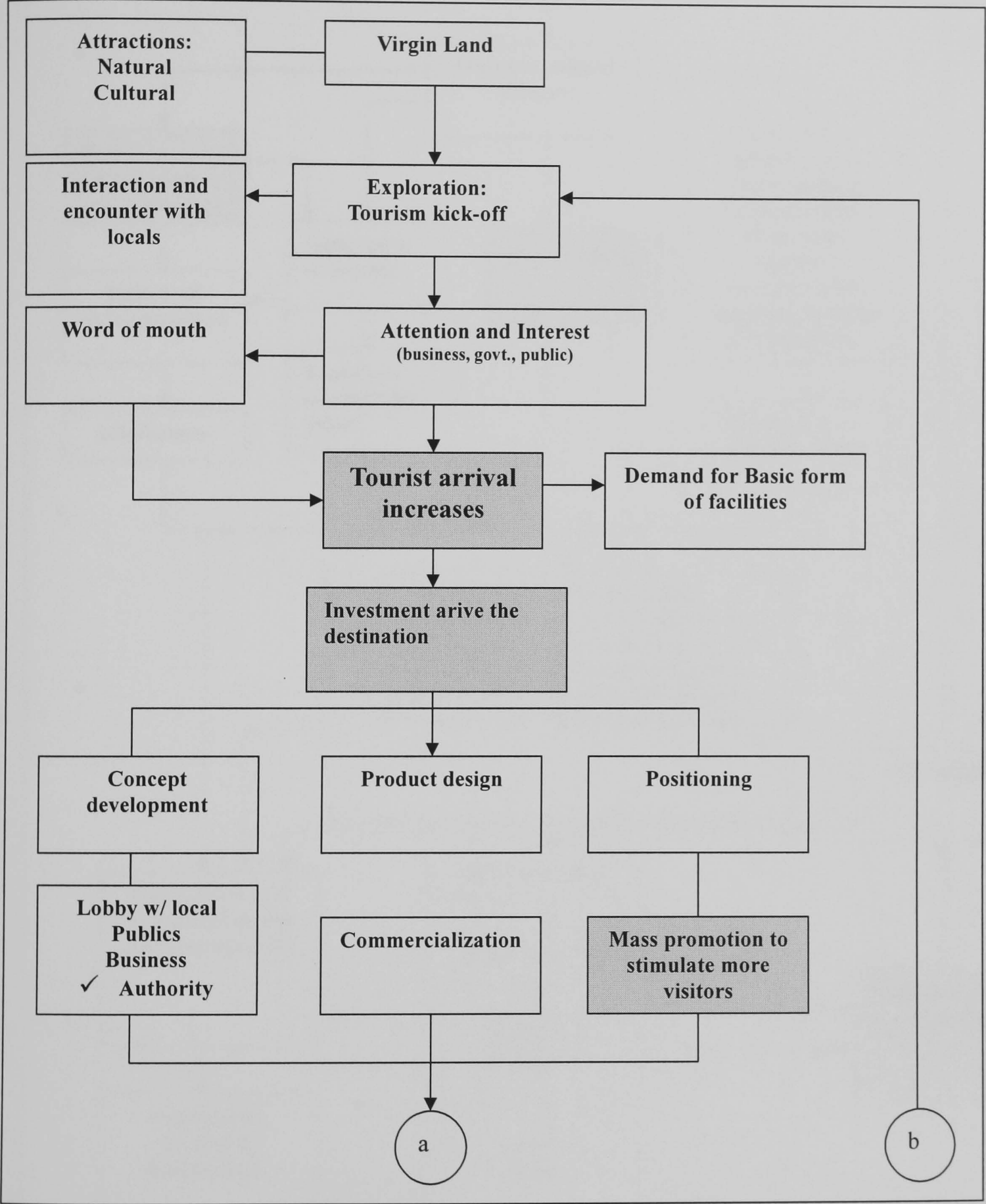
Tourism Destination Lifecycle

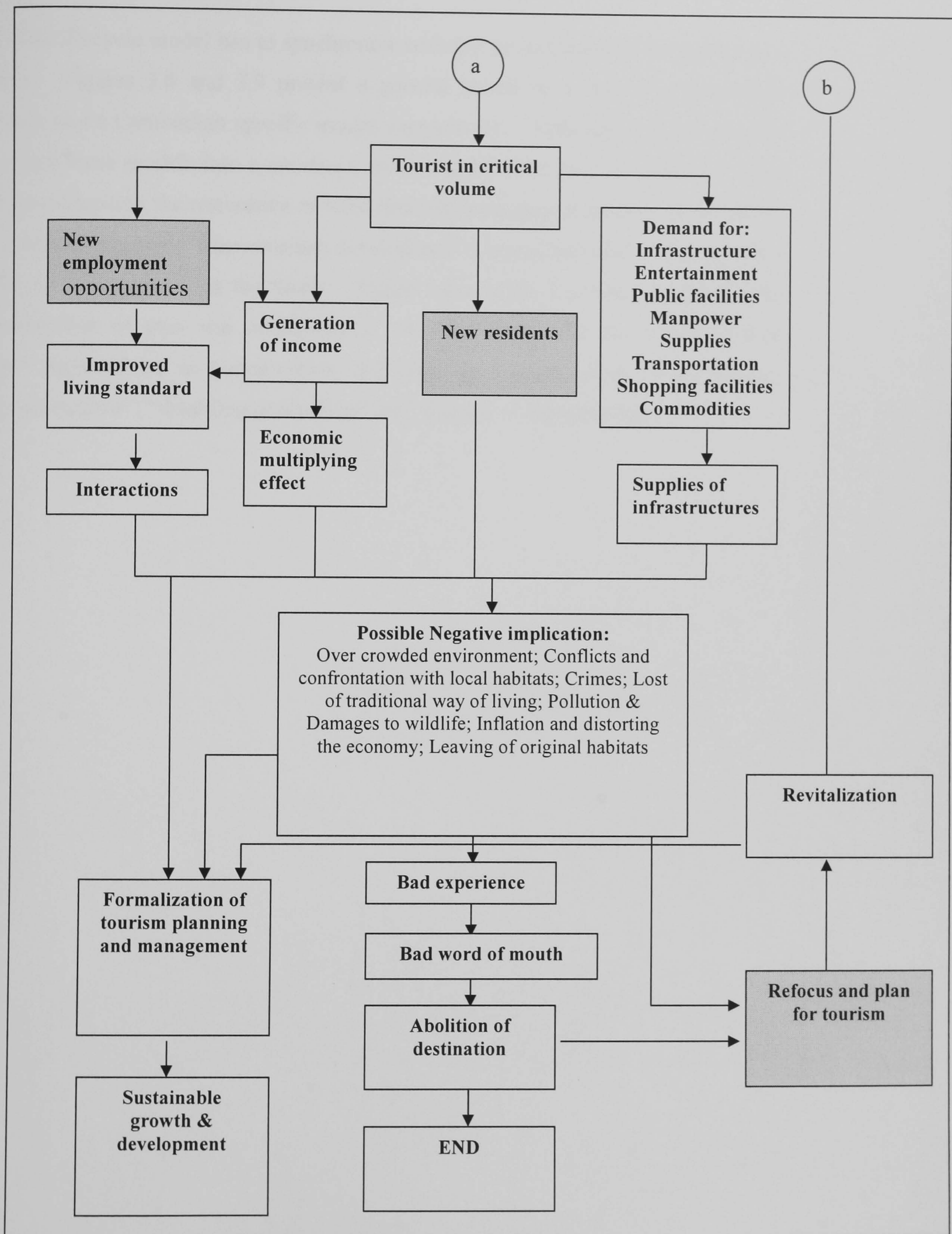
Figure 3.7 illustrates a tourism lifecycle by expanding Law’s model (1995). This extended model captures the various stages and processes of tourism

development from “virgin land” to either the abolition of a destination or a more sustainable development of the destination concerned. It suggested that the development of a destination does not necessarily follow an inevitable track that eventually ends in the abolition as destination. Going through the various stages of destination development from a virgin land, the arrival of the first batch of tourist, the arrival of investment, formalized tourism development, arrival of mass tourist, the change of local’s live, the degradation of attractiveness, to abolition or revitalization, the destination will experience a complicated process with various decisions needed to be made. The outcome is a result of these decisions, which trigger a chain of reactions.

Although the destination lifecycle is not the major subject of this thesis, it provides an important conceptual understanding about how a “place” is turned into a “destination”; how and what factors come into play; and why some destinations eventually fade away. These understandings support the proposition for the necessity for a formalized, structuralized, integrated and coordinated tourism planning and management mechanism, which is crucial for the sustainability of a destination. It also illustrates the impacts of tourism as an argument for the proposition that tourism should not be studied as an economic activity but as a social phenomenon.

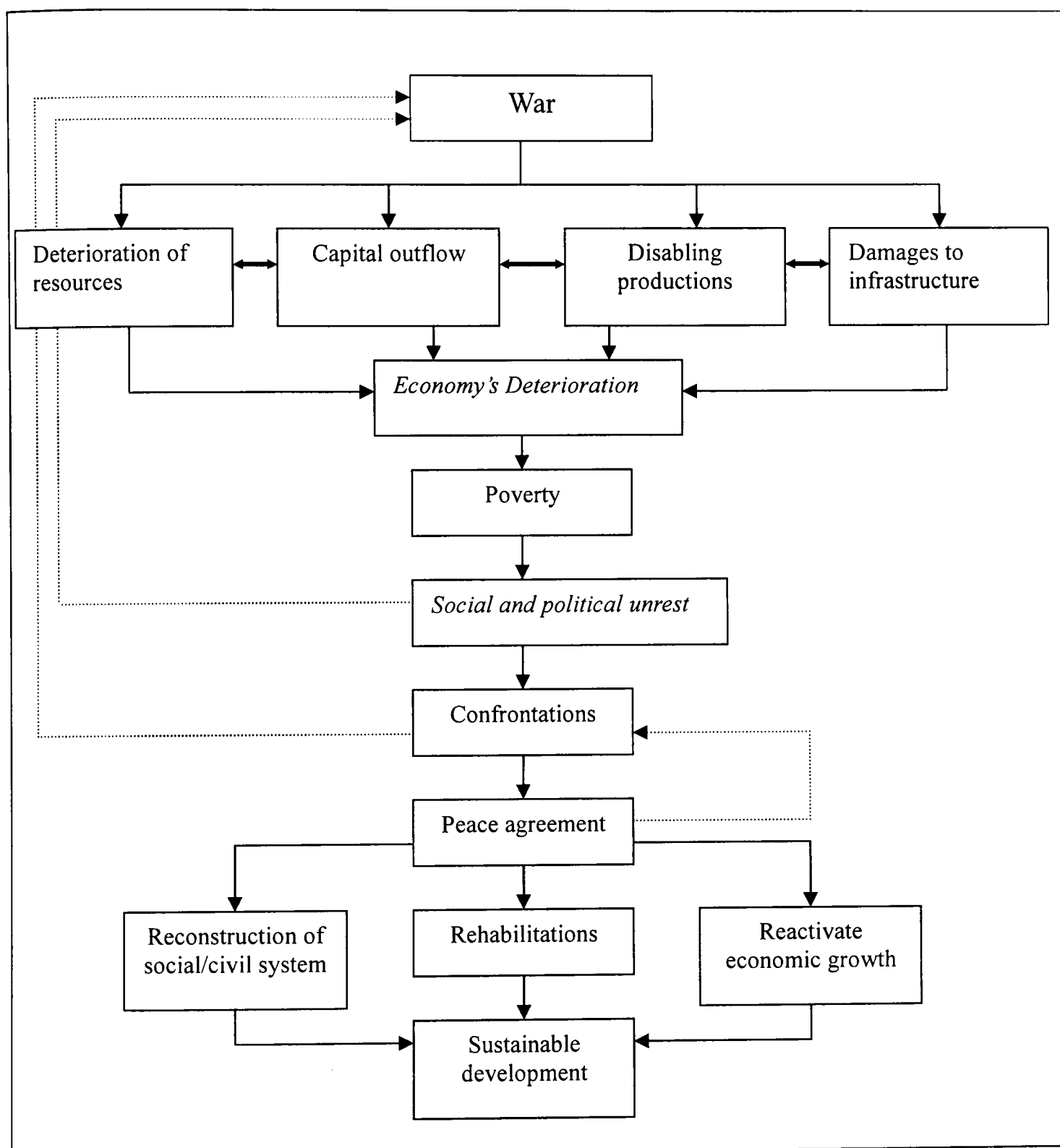
Figure 3.7: Destination Lifecycle (based on Law's model)





This lifecycle model has to synchronize with the development of the nation as a whole. Figures 3.8 and 3.9 present a generic model of a post war restoration process and a Cambodian specific model, respectively. Although it is not feasible to merge these models into a construct, it is critical for the tourism planner to take into consideration the restorative or rehabilitative development process of the nation as a whole, especially when tourism development is being regarded as an agent for other social objectives in the thesis. Figure 3.8 exhibits a generic model for the rehabilitation of post war communities. As illustrated, war has triggered four major degradations in communities, including the “deterioration of resources”, “capital outflow”, “disabling production” and “damage to infrastructure.”

Figure 3.8: The Model of Post War Restoration Process



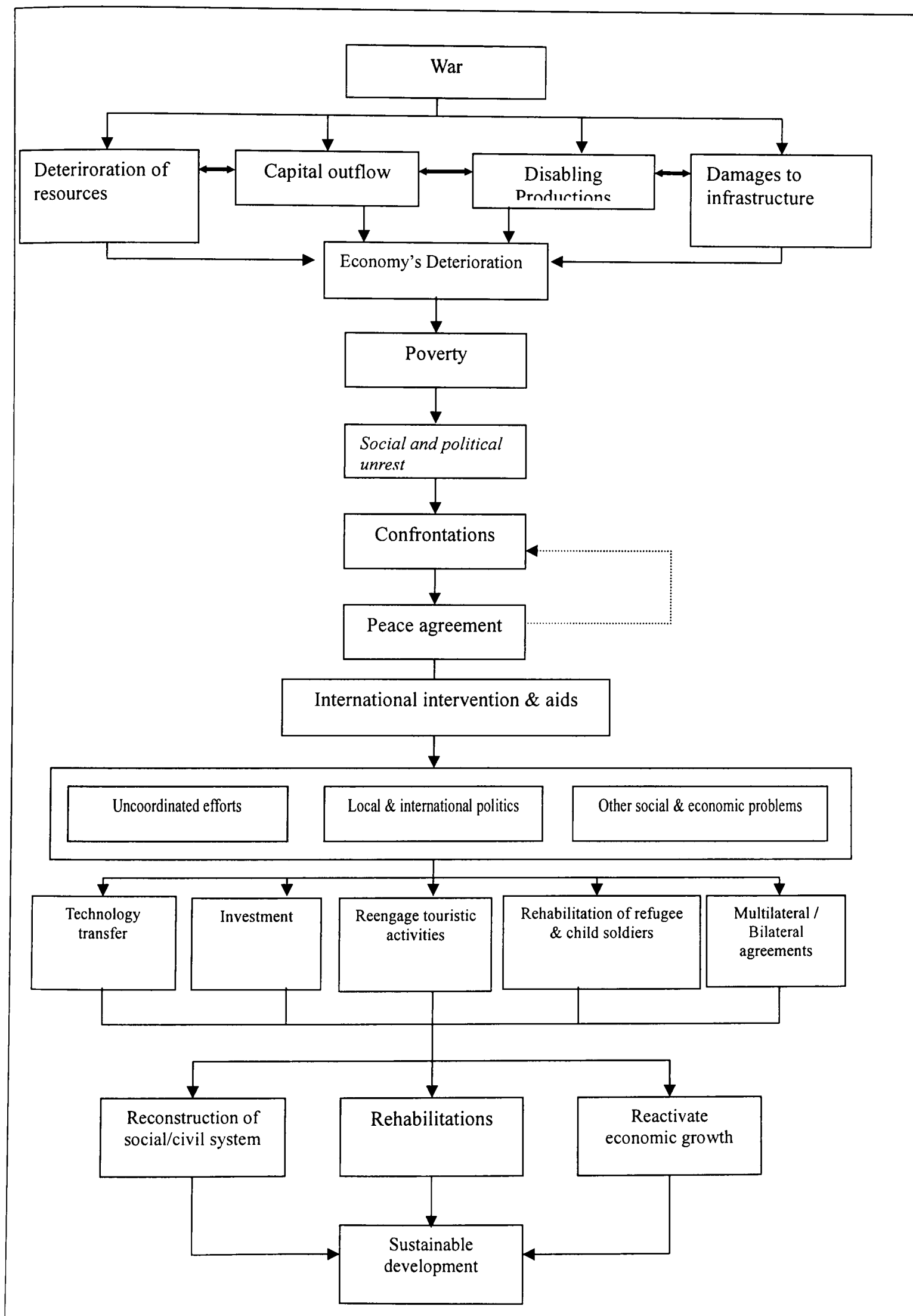
The deterioration of resources includes natural resources, human resources and social institutes, such as the family system, values and customs. Together with the other consequences, war leads to the deterioration of the local economy and intensifies poverty. Poverty has become a cause of conflict, social unrest, insecurity, and other social and economic problems. The prime objectives after restoration of peace are the rehabilitation of the community's social order, security and economy. Sustainable growth and development are the ultimate objective to be pursued.

Figure 3.9 is an application of the generic model to the case of Cambodia. New elements have been added to the framework, viz., international intervention, aid and assistance, uncertainties and operational barriers, and a Cambodian specific set of objectives for development.

International aid and assistance is essential for the redevelopment of Cambodia owing to the extreme paucity of resources. While details of international and foreign intervention will be covered in Chapter 5, it is critical to identify some of the projects' operational obstacles. The uncoordinated nature of participation in the country, their divergent objectives and the absence of a centralized coordinator of the various participants, projects fail to create the critical mass of effectiveness and efficiency. The local political environment is fragile. The complicated regional and international political environment, interact with the social and economic deficiencies to cripple the progress of the programmes.

To accomplish sustainable development, the rehabilitation programme has to attain certain interim objectives. First, the projects must initiate the transfer of technology. Given the paucity of human resources, international and foreign projects should develop local capacity. Second, projects should be designed to attract foreign investments. Given that local savings have been exhausted by the war, foreign capital became vital for development. Third, rehabilitation and social security are of high priority. Large numbers of refugees, child soldiers and retired members of the Khmer Rouge have to be rehabilitated. Most of them are poor, landless and lack a means for living. Unless the problems can be mitigated promptly, the risk of civil upheaval will escalate. Lastly, the region's political environment has been fragile and unstable. Hence, bilateral and multilateral agreements and relationships have been deemed to be critical for any development within the region.

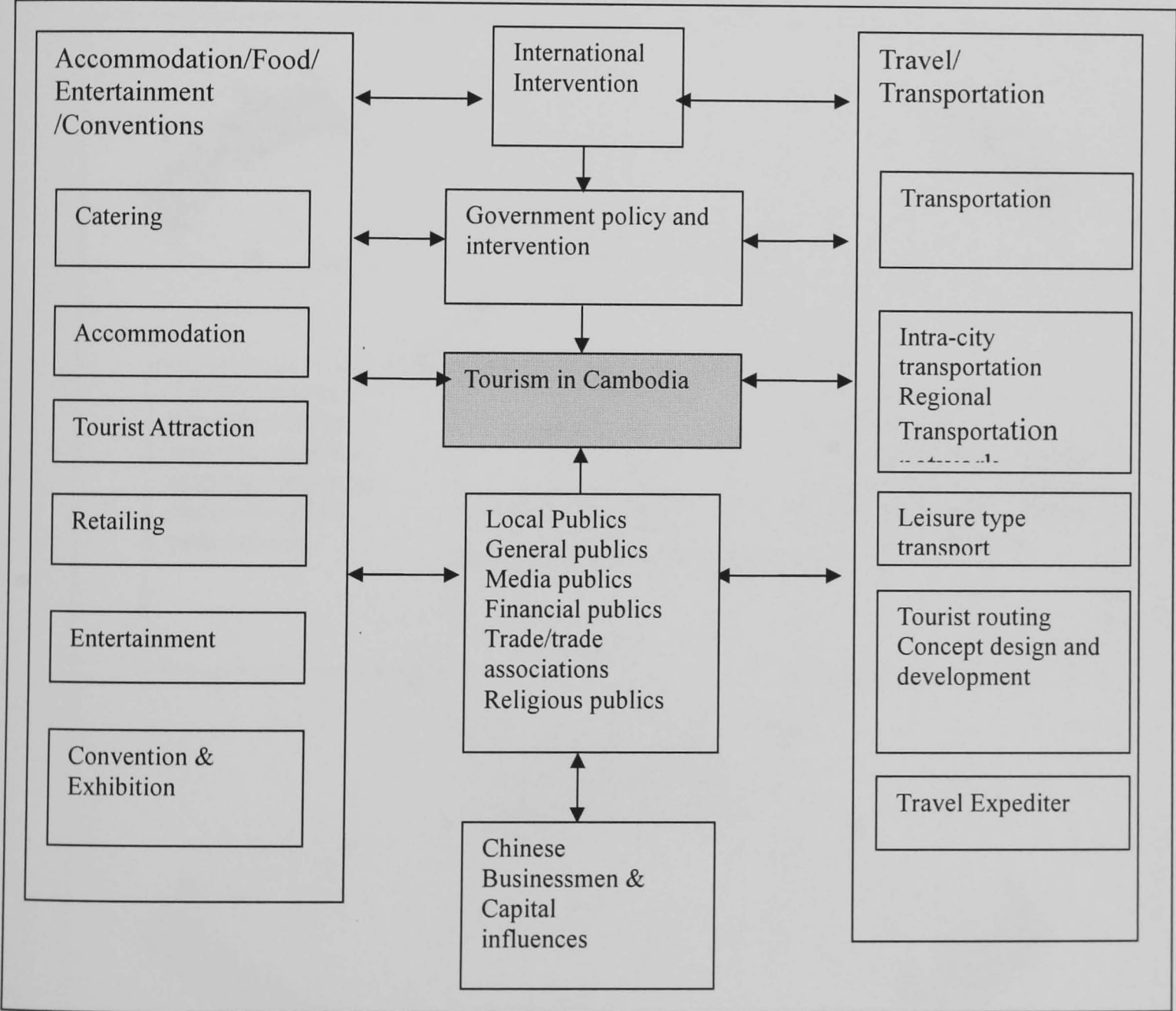
Figure 3.9: The Model of Post War Restoration Process in Cambodia



Tourism System

The contextual environment affects the design of the master plan. The plan, to be effective, needs a clear understanding of the societal structure, the interacting components and their relationships. Although these factors are destination specific, the structure has a common nature. As the core subject of this study, the thesis will develop and illustrate a model of tourism using a soft systems approach that illustrates the composition of factors and the interrelationship between them. Based on Lundberg et al (1995) and the literature reviewed, an extended system model of a hospitality and tourism was constructed (see Figure 3.10).

Figure 3.10: A modified tourism system model

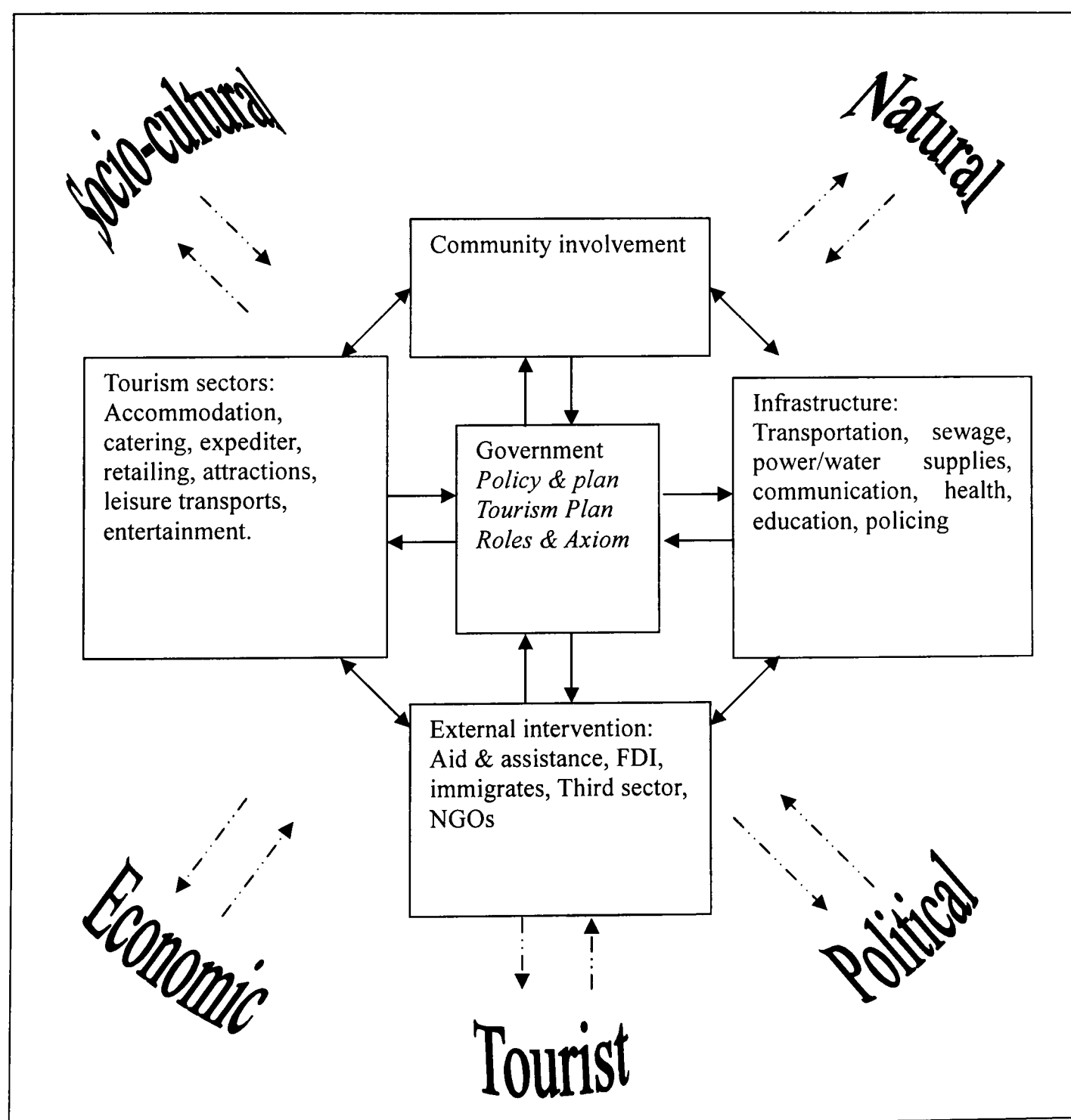


The hospitality complex includes accommodation, food, entertainment, convention and retailing industry. The travel and transportation complex included transportation, intra-city and international networking, leisure type transports, tourist

routing, and concept design and development and travel expediter. Both the hospitality complex and the T&T complex can be sub-categorized into two groups: the enablers, which facilitate tourists' travel and the motivators, which provide reasons for visiting.

The model suffers from a number of deficiencies. First, its operational orientation failed to recognize the social and political dimension of tourism development. Second, it fails to include contextual factors, which are very critical to LDCs. This model, therefore, only serves to feature the tourism sector. Consequently, an amended model was constructed and presented as Figure 3.11.

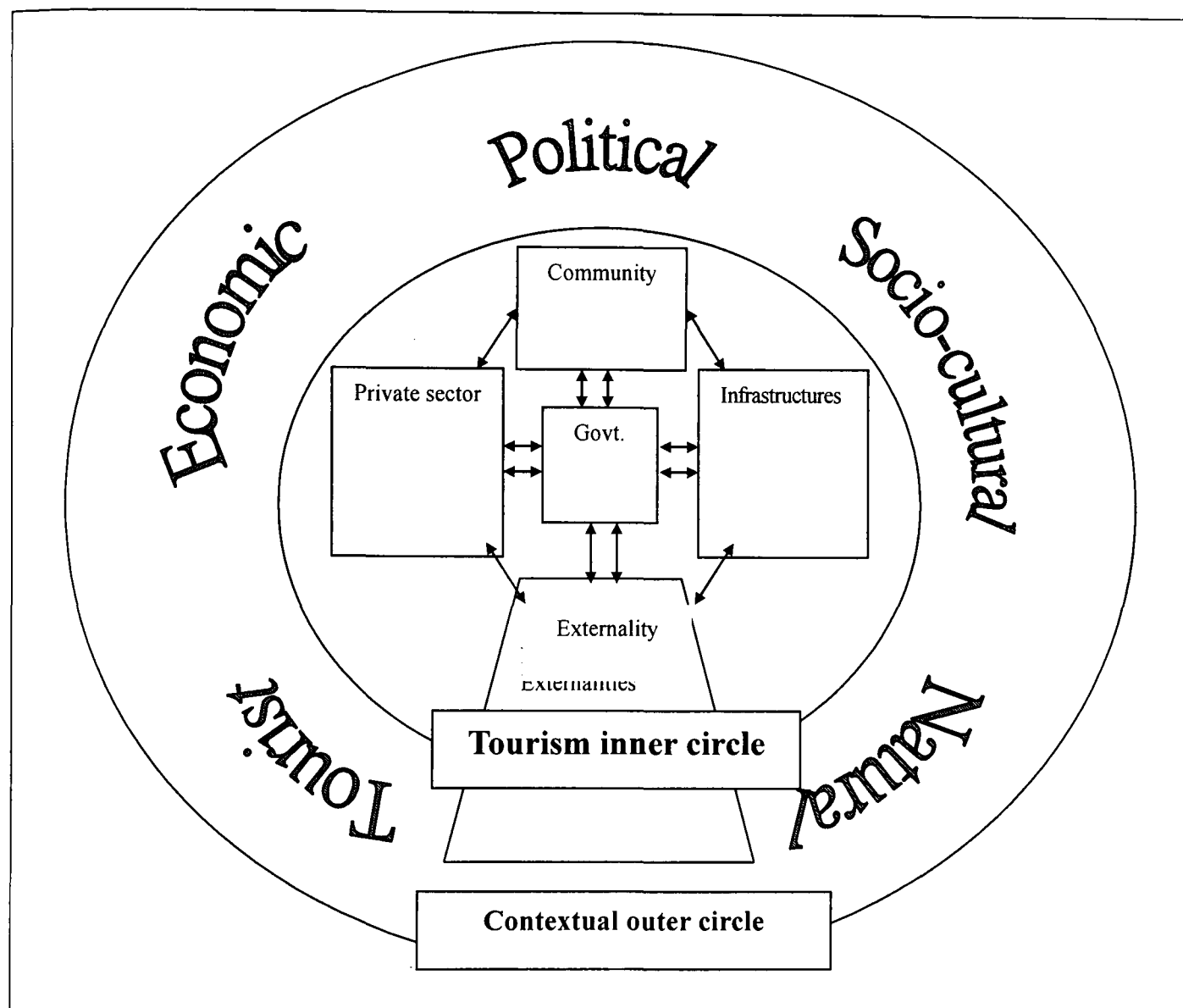
Figure 3.11: A Revised Model of tourism system for the Study of LDC



This model has the following unique features. First, the system has a strong emphasis on governmental and external interventions, which is critical to the development. Second, it features the important role of foreign direct investment (FDI), especially Chinese capital. This could be the first study of Sinology in related tourism development. Third, the system highlights an external component, which consists of the Third Sector, FDI and aid, which are critical to the development of LDCs but rarely touched upon in tourism literature. They served as public goods providers, planning facilitators, trainers, and communities' representatives. Fourth, the system attempts to illustrate not just the components of the system but also the interrelationship, co-relations and influences among these components, such as their share of revenue, interest, manpower, authority, information, and influences.

The tourism system for LDC is constructed within its contextual setting of economics, politics, socio-cultures, and international interventions. In response to these characteristics, the model is sub-divided into two main tiers: the macro environmental tier (the outer circle) and the tourism system tier (the inner logistic circle) (see Figure 3.12).

Figure 3.12: The Tourist System Model for LDC



SUMMARY

As a conclusion, this chapter presented the tourism system model as the framework of the thesis. The presentation illustrated the system model in conjunction with various conceptual frameworks, which gives a more holistic picture about the position of the tourism system and its relationships with other components in the context.

As mentioned in the chapter's introduction, every model has to face the question of generalisability. This thesis is to generalize against the theory rather than the population. The models proposed are soft system models that address the meaning and logic of how the system works rather than what factors compose the system. It is to provide a framework for the systematic pursuit of the subject issues. There is no obvious reason not to believe the results are applicable more generally. Although the study is destination specific, it is on the development of a theory that can be extended to other LDC cases where common problems of poverty, marginalization,

social unrest and political tension prevail.

⁷⁵ Gunn, C. (1994). *Tourism Planning: basics, concepts, cases* (3rd ed.). Washington, DC: Taylor & Francis, pp19

⁷⁶ The voices against globalisation are escalating. For example, the Group of Eight summit 2001 in Genoa, Italy had turned into large scale anti-capitalist violence. Mass demonstrations stressed the importance of freedom and economic sovereign. Although one of the themes of the summit it to work out initiatives to help poor nations to deal with poverty, protesters are not convinced. The fatal shooting on 23rd of July turned the demonstration into a large scale riots. Over 300 people were injured and more than 100 arrested. Did all these illustrate the naïve and wrong perceptions of the demonstrators against globalization? Or is it a fact that their voices are deliberately unheard. In response to the incidents in Genoa, the organizing committee's response to trim down the scale of the meeting next year and move the venue to remote park in Canada has been described as a way to hide away from the voices of opposition (Macau Daily, July 23, 2001, A10; Leaders vow to give poor nations voice in global agenda, SCMP.com, July 23, 2001, World).

Chapter 4: Methodology

INTRODUCTION

The eternal question for humans is what can be known and how to go about knowing it (Lincoln and Guba, 1985). The objective of academic research is to find out the truth⁷⁷. Sets of basic or metaphysical beliefs can be grouped together and form a paradigm, which facilitates, yet sometimes constrains, our thinking. The unquestioned assumptions of the paradigm can be wrong and/or misleading.

The major objective of this research is to investigate the potential and barriers to utilize tourism as a development agent in LDCs. This constituted the first part of the study. By capitalising on Cambodia as the subject of investigation, a system model of tourism was developed by induction.

The existing literature revealed the prevalence of the free-market (capitalistic) paradigm in developing tourism. In the design of this research, the researcher challenged this paradigm's validity for development, especially in LDCs. The second part of the study is to test this proposition. In this chapter, the three basic elements of the research: ontology or theory, epistemology and methodology will be further elaborated in six sequential headings, viz., researcher and the researching subject; theoretical paradigms and perspectives; research strategies; methodologies for data collection and analysis; interpretation and presentation; and limitation and delimitation.

THE SELECTION OF A QUALITATIVE DESIGN

“Qualitative research... is carried out in ways that are sensitive to the nature of human and cultural social contexts, and is commonly guided by the ethic to remain loyal or true to the phenomena under study, rather than to any particular set of methodological techniques or principles”
Altheide and Johnson (1998:290).

This is a sociology account capitalized upon a qualitative research design. The selection of research methodologies is governed by a task-objective approach, which emphasizes the strategies' effectiveness and efficiency in accomplishing specific

objectives and their ability to tell the story from a proper perspective and unfold the case with greater detail.

This is a qualitative inquiry using multi-methods, which include unstructured forms of data collection, such as interviews and observation, and employing verbal descriptions and explanations rather than quantitative measurement and statistical analysis.⁷⁸ It involves an interpretive, naturalistic approach to its subject matter;⁷⁹

The adoption of a qualitative design is due to various reasons. The exploratory nature of the study (especially for part one of the study), the emphasis on the value-laden nature of inquiry, the socially constructed nature of the setting and the situational constraints demand a design that is embraced with the flexibility to reveal unforeseen issues and to cope with the changing environments and unexpected circumstances⁸⁰. Communication with respondents, observations, and other inputs during the early stage of the research process allowed the researcher to refine and modify the research schedule and content. It also has the ability to probe deeply into the subject to uncover subtle and complex issues⁸¹.

Qualitative design and interpretive critical theory have their strength over the traditional scientific schools of positivism in assessing complex social relations (Yuen 1995), and this is critical to the study of tourism as a social phenomenon. Although many positivists say it lacks rigor and validity and have devalued it, this is largely due to the misunderstanding between positivists and interpretivists (Decrop 1999). Decrop argued that anthropologists and sociologists have been turning to qualitative approaches in travel tourism research. Qualitative researchers, however, have to ensure rigor and validity of the data are maintained and properly presented so that the consumer of the research can trust the findings reported (Decrop 1999, Easton, McComish and Greenberg, 2000).

Another criticism against qualitative, interpretive critical theory is the lack of objectiveness and the intrusion of subjectivity. According to Yuen (1995), however, subjectivity is unavoidable and in fact should not be avoided. He suggested that any social study requires the researcher's personal position as a platform to critically evaluate the phenomenon to be studied.

Departing from the positivist traditions, a different set of criteria was adopted to ensure the vigour of the findings⁸². Credibility, also referred to as Internal Validity, is the degree of truthfulness of the particular finding. Transferability, or External Validity, is the applicability of the finding and recommendation to other setting and situations. Dependability related the Reliability of the results. In other words, whether the results are consistent and reproducible? Confirmability is the degree of objectiveness of the research and the research process. Construct validity defines as whether the researcher has established the correct operational measures for the concepts being studied (Lincoln and Guba, 1985; Yin, 1984).

In this study, special attention has been given to ensure the design of the research; the collection and analysis of data, and the recording procedure satisfy these criteria. For example, in order to ensure construct validity, multiple sources of evidence were utilized and key informants were asked to review the drafted record for comments and validation. Explanation building and a pattern matching method were used to ensure the internal validity. Study protocol and case study database were developed to ensure reliability.

External validity is one of the most serious criticisms made against the case study as a research design. According to Yin (1984), however, it is not relevant. The contribution of the case study relies on analytical generalization. This generalizes the finding to theory rather than to a specific population. Owing to the fact that this is a single case study, the replication logic of multiple cases is not applicable. The purpose of this case is to study and develop a theoretical understanding of tourism development in LDCs and form a generalization of findings into a theory. External validity has not been testified.

Triangulation⁸³ was utilized to enhance the credibility and dependability of the findings. Information coming from different angles can corroborate, elaborate or illuminate the research problem. It limits personal and methodological biases and enhances a study's generalisability (Decrop, 1999). Denzin (1978) suggest four basic types of triangulation: data sources, methods, investigators and theories. Janesick (1994⁸⁴) added the fifth type of triangulation: interdisciplinary triangulation, which can lift the analysis up out of the dominant domain to various dimensions and perspectives.

At the same time, initiatives have been taken to minimize the problems of equipment failure, environmental hazards and transcription errors. In order to avoid equipment failure, simple audio recorder and the more primitive pencil and paper were chosen to record the interviews. On various other occasions, reports were written after the event owing to the sensitive nature and environment limitation.

Environmental hazards were almost unavoidable in this study. Many of the interviews were not conducted in settings that fell under the control of the researcher. Some of the interviews were conducted in the offices of the interviewees, catering outlets and even nightlife areas.

The most critical transcription barrier in the study is the language and culture. Khmer is not spoken or understood by the researcher. Although an interpreter was used, the research and its interpretation were not totally free from the delimitation of a distant language.

The researcher anticipated that it would be a difficult study. In order to acquire additional knowledge about the specific nature and seriousness of obstacles and barriers, a research framework was developed and pilot-tested in China. The reason for the selection of southern China is its similarity to Cambodia. The situation in Cambodia, however, was more difficult than expected. It is a closed society where information and data are scant and difficult to solicit. The social network is complicated and sensitive. The operation system is chaotic. Since many of these problems are prevailing constraints, alternative research tactics and extra work were implemented to rectify the situation. For example, the visitor survey, the observations to looting and prostitution activities were cancelled for operational reasons and replaced by key informant interviews for providing “second hand” sources of information to fill the gaps. Barriers such as the spatial separation, and time and financial constraints prohibited extended stays in the country to collect information. Various sources of data including key informant interviews, archives, and the press were utilized for rectify the limitation. In order to avoid subjectivity, bias and reactivity, triangulation of sources, member checks and feedback were employed to verify the credibility of the information. Whenever possible, a post interview report was sent to the interviewed subjects for proof reading and soliciting

of additional inputs. In order to avoid misunderstanding and deficiencies within the interview environment, follow-up interviews were conducted via email. Details of the research design and the methodologies will be presented in later sections.

RESEARCHER AND RESEARCH SUBJECT

This is a basic concern of the self-and-others. The two basic assumptions of ethnographic account are that qualified and competent observers can with objectivity, clarity, and precision report on their own observations of the studied world. The belief that the real subject, or real individual, who is present in the world and able, in some form, can report his or her experiences are seriously criticized. The researcher is well aware of the differences between the researcher and the subject, and the potential drawbacks of using a distant language to interpret the findings. To rectify the situation, a local assistant was utilized to accompany the investigator and to verify the interpretations. (Please refer to the section of interpretation for more details).

Theoretical Paradigms and Perspectives

According to Denzin and Lincoln (1994), qualitative researchers are philosophers guided by a set of interpretive frameworks, known as a paradigm, which consists of the researcher's epistemological, ontological and methodological premises. Generally, paradigms, which structure the research design, can be classified into: positivist or postpositivist; constructivist-interpretive; critical (Marxist, emancipatory); feminist-poststructural; ethnic and cultural studies.

There have been serious debates for and against each paradigm. Hamilton (in Denzin and Lincoln 1994), for example, argued that tradition should serve as indicators of preferences. Research should be open, and subscribe an eclectic, pluralistic and syncretic prescription.

This particular research selected the constructivist-interpretive paradigm, which is based on the constructivist /critical theory, and is within relativist ontology (multiple constructed realities), a subjectivist epistemology (the knower and subject create an understanding), and a naturalistic set of methodological procedures. In contrast to the positivist paradigm, this study is less bureaucratic in design, sampling

frames and schedule. Just as Denzin and Lincoln (1994) described, it “follows a path of discovery.”⁸⁵

The specific strategy of inquiry, however, is influenced more by the cultural studies paradigm, which is signified by its multi-focus design and the use of multiple methods (Denzin and Lincoln 1994). Close textual readings and discourse analysis of textual materials, ethnographies, open-ended interviewing and participant observation are the data collection modes.

Cambodia, as an LDC, is the subject of study. The phenomenon can be defined as post war LDCs with limited resources. The social process in the broader term is development and to be more precise, is tourism development. This research is a single case, single process intrinsic case study with a holistic perspective. However, it can be easily extended into a collective cases study (multi-cases) or an examination of multiple instances of a process as further studies. In other words, this research is by no mean an end but rather a starting point for further studies.

The case study approach

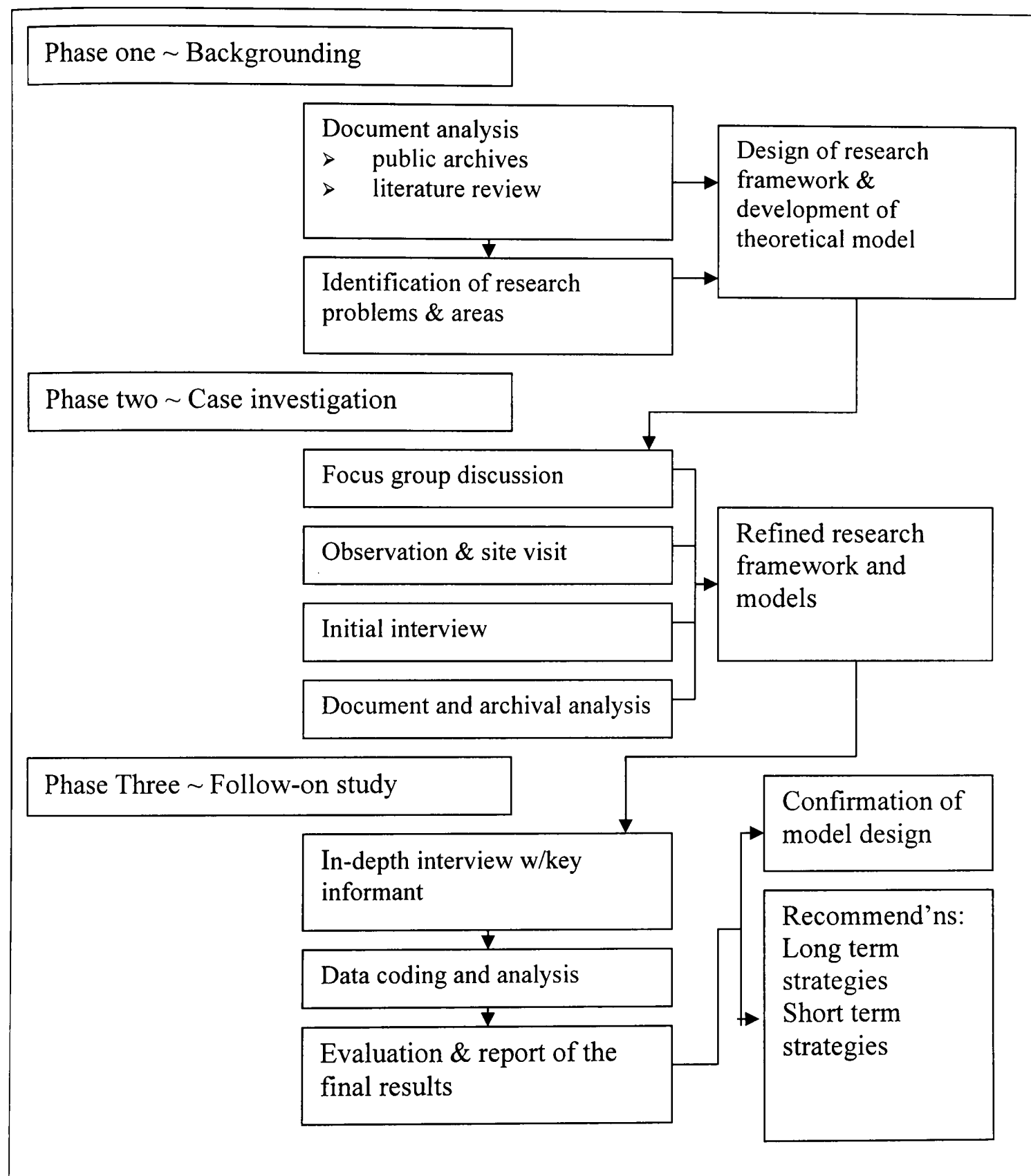
The design of the research strategy is to answer the question “what information most appropriately will answer specific research questions, and which strategies are most effective for obtaining it?” (LeCompt and Preissle, 1993⁸⁶). The design should describe a set of guidelines that connects theoretical paradigms to the strategies of inquiry and methodology (Denzin and Lincoln, 1994). It also specifies how to deal with the issues of representation and legitimisation, and connects the research to the specific method of data collection and analysis.

The case-study design for this thesis is comprised of three main phases: the backgrounding, the main case investigation, and the follow-up study (see Figure 4.1). The background includes a review of the history, an assessment of the past and an inspection of the context. Although the main objective of the thesis is to look for new departures, the historical background has a key role to play in the future development. As argued by Sen (1999:5), “the new has to emerge from the old.” This initial phase provided input for the construction of the research framework and critically affected the next two phases of the study.

Phase two of the study is the main case investigation by applying the knowledge acquired in the first phase and the proposed framework. In this particular phase of investigation, four main research tactics were employed, viz., interviews, observation and site visits, archival analysis, and focus group discussions. Details of the process, respondents, and list of archives will be provided later in this chapter.

Phase three of the study is a follow-up study process, which is designed to verify the findings from Phase two. In-depth interviews with key informants and follow-up investigations were conducted in an attempt to fill up any gaps. As a result, a generic conclusion and destination specific recommendations have been generated as output.

Figure 4.1: Research Logistic Plan



Methodologies for Data Collection and Analysis

Qualitative research covers a spectrum of techniques (Punch, 1994⁸⁷). In this study, observation, interviewing and documentary analysis are the basic tactics for data collection. Johns and Lee-Ross (1998) asserted that multiple methods could ensure that findings can be compared and a definitive picture obtained. It also provides greater flexibility. Denzin and Lincoln (1994) described this combined mode as the case study approach⁸⁸.

A case study, according to Yin (1993), is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, addresses a situation in which the boundaries between phenomenon and context are not clearly evident, and uses multiple sources of evidence.⁸⁹” It is an essential and appropriate design for social science inquiry, which defines topics broadly rather than narrowly; covers contextual conditions and not just the phenomenon of the study; and relies on multiple and not singular sources of evidence (Yin, 1993). The selection of the case study as a method is also because of its two distinctly unique quality. These are the ability to incorporate an investigation of the context, and the ability to not delimit the nature and sources of data. Both qualitative and quantitative evidence can be incorporated into the analysis. A case study is the preferred method of research to answer questions of “why” and “how” about a contemporary set of events (Yin, 1984). These characteristics of a case study as research method perfectly matched the nature of this thesis. In addition, features, such as the small number of “subjects” that cannot outnumber the variables of interest; the uncontrollability of variables; and the objectives of the study, denied experimental or quasi-experimental evaluation designs.

The design of this research framework has incorporated Yin’s (1993) suggestions for the construction of case studies, which included: “the posing of clear questions and the development of a formal research design; the use of theory and reviews of previous research to develop hypotheses and rival hypotheses; the assembling of a database, which is independent of any narrative report, interpretations, or conclusions and can be inspected by third parties; and the conduct of quantitative or qualitative analyses (or both), depending on the topic and research design.”

Table 4.1: Case Study Tactics for Four Design Tests

Tests	Case-study Tactics	Phase of research in which tactic occurs
Construct validity	• Use of multiple sources of evidence	Data collection
	• Establish chain of evidence	Data collection
	• Have key informant review draft case study report	Composition
Internal validity	<ul style="list-style-type: none">• Do pattern matching• Do explanation-building• Do time-series analysis	Data analysis
External validity	<ul style="list-style-type: none">• Use replication logic in multiple-case studies	Research design
Reliability	<ul style="list-style-type: none">• Use case study protocol• Develop case study data base	Data collection

Source: Yin (1984: pp.36)

Although this study is a single case study with a holistic perspective, it incorporates a comparative element. According to Baum (1999), “comparison is at the heart of much of the research and analysis.... Much of this comparison is undertaken with the objective of taking aspects of what is commonplace elsewhere and transferring the experience to the local context.” In other words, although this case study has identified Cambodia as the subject, the experience of the researcher and knowledge from the literature were utilized consciously or unconsciously as yardsticks or benchmarks to be compared against. This means that comparative study and case study approaches are juxtaposed in design.

This research project is a combination of an exploratory inquiry and a study of evaluation. For the exploratory sphere, it attempts to explore the factors that affect the development of tourism in a backward post-war economy. For evaluation, the research strategy is designed to test a hypothesis by challenging rival theories. The formulation of theories then becomes the main vehicle for developing generalizations from the case study’s findings.

Design Issues

Kellehear (1993) argues that every research report has subtle differences owing to the researcher's personal style, the idiosyncratic demands of data collected, and the methodology selected. In general, there are two main types of design: the hypothetico-deductive design and the ethnographic-inductive design. The foundational difference between the two approaches lies in their different research objectives. The hypothetico-deduction design started with a theory to be tested with a particular sample of cases while the ethnographic-inductive research attempts to develop theory by studying a selected set of subjects. This research adopted an ethnographic-inductive approach by using Cambodia as a study subject to develop a model of tourism development by induction.

There are various reasons why the ethnographic-inductive approach prescribes the design of this research. The hypothetico-deduction design has the weakness of addressing the social phenomenon with an outsider's view (etic viewpoint). It might easily neglect ideas and elements, which are not part of the original theory. Furthermore, the study does not encompass a priori organized ideas for the theoretical framework. The ethnographic-inductive approach, by contrast, attempts to analyse and portray a social system with an insider's view (emic viewpoint). As Kellehear (1993) depicted the ethnographic-inductive approach "attempts to develop an explanation about the development, maintenance and salience of certain social processes." This perfectly matches with the pre-stated objectives of this study.

A case study with a multi-method approach was adapted. This, also referred as the researcher-as-bricoluer approach (Denzin and Lincoln, 1994), is essential for social research, especially for evaluation research (Russell, 1995:274). The choice of a multi-method is for the sake of reliability. The triangulation of data, sources and methodology enables the researcher to confirm the finding's appropriateness and reliability (Russell, 1995; Kellehear, 1993 and Yin, 1984).

In this particular study, tourism will be evaluated as a social programme. This evaluative nature of the study will involve relinquishing some of the autonomy the researcher has over the research project (Russell, 1995:276). There is no certainty about how much the result of the study will affect policy formulation. Yet, "well-conducted programme evaluations... can and do help to shape the evolution of

policy by producing pertinent and important information about which programmes are worthy of continued support and which are not” (Russell, 1995:276).

Evaluation research to be effective has to go through four steps: implementation, monitoring of the process, assessing the impact(s) of the programme and analysing the cost(s) of the project against its benefit(s). Tourism as a social programme will be evaluated in similar fashion in this study. Yet, before any evaluation takes place, it is critical to discern the objectives or goals for developing tourism. As Russell (1995) suggested, any good and/or effective evaluation study should start off with a clear identification of objectives (or a set of social problems to be solved), which is deemed to be a political process. Here, the social problem is defined as poverty and the social objectives are to rehabilitate and develop the war-torn society.

Figure 4.2: Issues on Determining Social Objectives

Content: is the programme intended to change behaviour? Or is it intended to change more subjective things, such as knowledge, opinions, or attitudes?

Level of abstraction: are there objectives that differ in their concreteness and order of hoped-for achievement? For example, a programme might plan to provide educational outings and trips for underprivileged children (a concrete objective) so that their interest in school will be maintained (a more abstract objective that may be realized later). Beware of objectives that are too abstract, however.

Target: for whom, precisely the programme intended?

Short-term or long-term effects: will the effects of the programme show up immediately, or will you have to wait until next year to see whether it made any difference?

Magnitude of effect: how big a change do you expect?

Stability of effect: how long is the effect supposed to last?

Conflicting effects: if there is more than one objective (which there usually is), do any of them conflict with one another?

Similarity of objectives: if there is more than one objective, are they basically similar, or will you be looking for effects in different domains?

Importance: if there is more than one objective, which is the most important?

Second-order consequences: are there likely to be any unintended side effects of the programme?

Study Questions

The study questions of this thesis included how and why tourism can contribute to the development of LDCs. In doing so, a model of a tourism system for LDCs was developed and applied in the case of Cambodia.

Study Propositions

This research has certain underlying propositions, which include:

- Tourism is a development agent;
- The free-market economy is not applicable for development within LDCs;
- Governments should play a more active role;
- Tourism governance is critical for effectiveness and efficiency;
- Local communities should be involved in tourism development; and
- The Third Sector has to play a crucial role in an LDC's development.

The Definition of Cases and Unit of Analysis

This is a single case study and the subject is Cambodia as a LDC destination with rich cultural assets. Although the researcher has further subdivided the country into operational zones and selected two most critical zone areas as the target for study, potential variables still outnumber the number of case and data points.

The evaluation of Cambodian tourism development is not limited to the selected zone area as a unit of analysis. In fact, it could be extended to an evaluation of various levels and definition of the unit, which included as least individual touristic projects, provincial programmes, or national wide development policy. Each of these would be subject to a complex set of contextual factors such as the political environment, the economic environment, social factors, and programme components that pre-existed the formal designation of the programme, and foreign intervention and assistance. This once again supports the selection of a case study as the methodology.

Major Assumptions

One of the basic assumptions is that there is tourism demand for Cambodia. With the right incentives, tourism businesses will flourish again. Another critical assumption is that the inputs from the informants are accurate and unbiased. This

assumption can be risky. Owing to the extreme lack of information for verification, the researcher has to sceptically assess and interpret their inputs.

Theory and Hypothesis-testing

The design of this thesis is to make use of a holistic single case to test rival theories. Subject theories included the free-market capitalistic development axiom, the industrialization truism, and the business/economic orientation of tourism.

Test of Validity and Reliability

It is an objective of the study to develop a case study research protocol regarding tourism development in LDCs, which can be applicable for future studies. This single case design has a single degree of freedom (Yin 1993, Campbell, 1975), which implies that the result must be strong and starkly contrasting to make the conclusions reliable and meaningful. The traditional positivistic (pure scientific) evaluations⁹⁰, however, are not applicable to this design. An alternative approach for evaluation was adopted for verifying the analysis (also refer to the section on interpretation).

PROCEDURES

Data Collection

As mentioned by Yin (1984), the case study is one of the hardest and most demanding research designs because the data collection procedure is not routinized. In order to ensure the quality of the study, the research programme followed the list of prerequisites set out by Yin (1984), which included the development of research protocol and the commencement of a pilot study.

Research Protocol

The case study protocol is of critical importance to multiple case studies and situation when multiple investigators are involved. Although neither of these situations applies to this particular study, a research protocol was developed to ensure that the steps and procedures were precisely followed, objectives were not overlooked nor the direction shifted unintentionally. This protocol included a brief overview of the research project, field procedures, case study questions and a

general guide for reporting. The researcher deliberately gave the protocol a loose structure so that it could be flexible enough to cater for unexpected issues.

The protocol was then pilot tested in a rural area in Southwest China. The purpose of the pilot study was to ensure that the methodology, especially the data triangulation, employed in the study is feasible and to train the researcher skills and techniques needed for the study. The results of this pilot study have no significance to this study but the experiences enhanced the researcher's ability to understand and interpret the findings of the thesis.

Sources of Data

Owing to the rich and complex contextual setting of the background and to assist the reliability of the findings, this study utilized multiple sources of data (see Yin, 1984). In this study, documentation, archival records, interviews, direct observations, participant observation, and physical artefacts were utilized. The advantage of multiple sources of evidence is that they allow the investigator "to address a broader range of historical, attitudinal, and observational issues.... [and thus, enable] the development of converging lines of inquiry, a process of triangulation, [which in turn ensures that] finding or conclusion in a case study is likely to be much more convincing and accurate" (Yin 1984⁹¹). For discussion and illustrative purposes, these six sources of evidence are sub-categorized into primary data sources and secondary data sources in the following section.

Secondary Data

"Too often students see the library as a place of textbooks and references for essays and not places of original and often undiscovered data for research. But libraries and archives are places from which scholars from the humanities and social sciences constantly conduct and draw for their original research work." (Kellehear, 1993: 51)

Existing sources (archival and library work) are an accessible and a readily apparent unobtrusive method of social research (Kellehear, 1993). Sources, including official statistics (government and private); books, journals, newspapers and magazines; government, business and other administrative records; personal diaries, letters and journals, embraced the advantages of comprehensiveness

(primary, secondary and support literature), uniqueness of data (methodologically, historically or administratively), high reliability, completeness for longitudinal analysis, and cost effectiveness. These sources have disadvantages, such as methodological error, dated data, decontextualized meanings, ambiguous and limited generalisability (see Kellehear 1993:57 for more details). Taking in consideration the strengths and weaknesses of these sources and the research objectives, existing sources served a very critical role in this study.

Archives

Documentation is a critical source of data for this study. There was no screening mechanism for selecting documented evidence. Documents include, but are not limited to, agendas, written reports, formal studies, literature, news clippings, travel related publications, letters and electronic databases. In order to build up the database of documentation, systematic and concurrent searches were conducted. During site visits, time was allotted for collecting relevant documentary evidence. The key documentary evidence for this study included the tourism development plans, and the researches conducted by Ear, S. (1995), Knell, M (1990) and World Vision (1999).

Gaye Tuchman strongly argued that “social phenomena must be studied in their historical context.”⁹² This requires the study of historical documents and records, which might include diaries, letters, newspapers, published statistics, novel and other literatures. This study, besides relying on interviews and group discussions, also relied on these documents and records. Major archival records included the tourist statistics from WTO and the Ministry of Tourism, and economic and demographic data from various sources. One major drawback for both documentation and archival records for this study is the immense damage caused by the war and the lack of maintenance of records. The study, as Tuchman involved interpretation, which would in turn affect the selection, comprehension and analysis of those materials.

Analysis was also extended to the press for reviewing the image of Cambodia in the mass media; monitoring the latest development of Cambodia; and filling some of the gaps in other forms of input. The selection of publications was based on the coverage of that particular medium. As a result, most of the major news

publications and a number of major magazines were selected (for example: Cambodia Times, the South China Morning Post, Business Asia and Economist). The review basically covers major news reports, articles, columns, supplements, letters to editors, and advertisements.

Published statistical data was another critical source of input. Statistics published by RGC's and other Cambodian organizations are critical sources of inputs. Supply, however, is very limited and mostly out-dated. For example, the number of the tourists only included arrivals by air. Furthermore, some statistics are not readily accessible. They are not published on a regular basis and some of them are only published in Khmer.

Statistics from other governments and/or NGOs partially rectified the situation. Organizations, such as WTO, UNESCO and the United States Embassy, have provided important input for analysis.

Published literature, including economic and social reviews, tourism development plan, related laws and regulation, and other position papers, are other critical sources. These materials, however, subject to availability and accessibility limitations.

Metasynthesis

"Metasynthesis is a method of synthesizing qualitative accounts to construct adequate interpretive explanations from multiple studies" (Barroso and Powell-Cope, 2000). The original research design incorporated a metasynthesis of secondary data. The extreme lack of research publication and the divergent nature of published information made this very difficult.

Burns's (1989) standards for evaluating inputs have been adopted in this study to ensure the quality of the secondary data. The criteria included descriptive vividness, methodological congruence, analytical preciseness, theoretical connectedness, and heuristic relevance. Whenever these criteria are not applicable to the materials, a thorough check on the background and credibility of the sources has been performed.

Study findings and other secondary data were also examined and studied using constant comparative analysis. Study themes and conceptual categories were coded, compared, and sorted while focusing on conditions, strategies, and consequences. Research attempted to translate each category in relation to categories across studies. Finally, the synthesis was written and revised several times until a coherent whole was formed.

The metasynthesis included publications between 1986 up until 2001. Findings, arguments and opinions from the selected publications were then categorized into overarching metaphors.

Primary Data

Empirical study should not be conducted unless it is absolutely necessary (Mills 1959⁹³). There is more than enough secondary data in all sorts of formats for understanding and studying a particular subject (Kellehear 1993). Hence, primary data is used only to fill up the gaps, which could not be covered by the readily available secondary data.

Qualitative methods constituted the backbone of the analysis. Qualitative data is selected for its strength of “potential to probe deeply, uncovering subtle and complex issues.”⁹⁴ Long-interviews with key informants, focus group discussions, site visits, trials and observations have been employed as the major mode for soliciting views from selected respondents. For sensitive topics such as looting, sex tourism and gambling, data have been collected via observation in a disguised manner. The researcher talked with visitors, prostitutes, looters and policemen to collect intelligence. Owing to various constraints, the field studies have been concentrated in short visits. Extended on-site investigation, though desirable, has not been viable. Certain initiatives, such as a night visit to Angkor Wat to observe looting activities, were cancelled for feasibility and security reasons.

There are certain limitations to qualitative methods. Johns and Lee-Ross (1998) suggest paying special attention to the rigorous of result interpretation.

Long-Interview – Key Informants

Key informant interviews, as a major source of input, are preferred “when the content of inquiry is such that complete or in-depth information can not be expected from representative survey respondents. Respondents describe their personal feelings, opinions and behaviours but informants generalize about patterns of behaviour, after summarized either observed (actual) or expected (prescribed)” ...behaviour (Kumar et al 1993). Kumar et al also suggested that informants be selected not for the view of representativeness but for their knowledge about the issue and their willingness to communicate.

The key informant method can embrace a number of significant weaknesses. Informant bias and random error, idiosyncratic errors, memory failure, inaccurate recalls, and distortions might jeopardize the validity and reliability of the results. In order to rectify these weaknesses, a multiple-informant approach was employed. There are two major problems associated with the use of this approach: the selection problems, and the perceptual agreement problems (Kumar et al, 1993).

Key informants are defined as the individuals who possess special knowledge, experience, information, and status or communication skills and are willing to share with the researcher (Geotz & LeCompte 1984). Informants, therefore, are usually selected by these criteria. It is difficult to identify competent informants, especially in an alien country. “The work involved in formally accessing competency or ferreting out additional knowledgeable informants is excessive” (Kumar 1993) and in many circumstances, it is impossible to assess their competency. Key informants’ backgrounds were assessed when possible and otherwise their official positions rather than knowledge served as the selection criteria.

The selection is aimed to provide information-rich pictures of aspects of information or knowledge distributed within the study population (Gilchrist & Williams, 1999). In order to avoid bias⁹⁵, informants with various backgrounds were solicited.

Fifty-two key informants from five categories were interviewed: tourism experts, the tourism authorities and governmental sector, the private sector, tourists, the third

sector and the local community (see Appendix D). A special working relationship was established with twenty-four of them. The composition of informants incorporated seven government officials from the Ministry of Tourism, the Ministry of Planning and the Ministry of Culture and Fine Arts, and foreign governments; 14 informants from international NGOs and intergovernmental organizations, such as ASEAN, Asian Development Bank, United Nations, UNESCO, WTO, Oxfam, World Vision and churches; 17 from the tourism industry; and six from other sectors.

Interviews with key Cambodian informants were conducted in two phases: personal interviews during the visits in 1998 and 1999; and more detailed discussions via email and mail. The reason for this two-phase interviewing practice is related to the custom and cultural norm of Cambodian. The initial visit and interview is regarded as a form of courtesy and a basis to cultivate a proper relationship.

The selection of a tourist sample was based on the profile of arrivals in the last five years. Hong Kong tourists were given additional attention owing to the strong growth momentum observed, their desire for a new destination and Hong Kong's proximity to Cambodia and the relative convenience.

The problem of perceptual agreement, i.e. the disagreements caused by difference in knowledge or perception is a factor⁹⁶. Owing to the specific nature and the objective of this thesis, agreement among informants is not necessary. Divergent viewpoints are actually important to reveal a more complete picture about the subject. Contrary evidence was recorded carefully and corroborated with other sources of evidence for explanation in the analysis. The initial logistic of utilizing a tape recorder was aborted owing to the uneasiness of some of the informants.

Site visit and Observation

Observation has been criticized as subjective, trivial, politically inappropriate, and sometimes unethical. Denzin and Lincoln (1994) further elaborated the stress, deep personal involvement, role conflicts, physical and mental efforts, drudgery, discomfort and even dangers of observational studies for the researchers that are associated with field research. Fieldwork including site visits, observation and participant observation, was utilized, despite these criticisms. There are three other

reasons besides Kellehear's (1993) arguments⁹⁷. First, published data is very limited. There exist various gaps in the picture that could only be filled by site visits and observations. The quality of the secondary data is also a concern. Some of the information is dated. Although the data served the purpose of reviewing the past situation of the country, it could not unveil the latest developments and evolution. Some sources are incomplete, distorted, or biased. Second, fieldwork served as a means to triangulate with other sources of data and to verify the published documents. Third, owing to the sensitive nature of some inquiries, such as prostitution and gambling, interviews and questionnaire survey were not practical. Observations and site visits were thus used as an alternative research mode for rectifying the drawback.

The researcher is well aware of the problems associated with observations. Additional attention, assistance and equipment have been employed to ensure the quality of the data, effectiveness of research process and the safety of the researcher.

Throughout the project, type II (participant as observer) and type IV (observation at a distance, non-participation) observations have been adopted. The researcher has intentionally built in extra flexibility for the observations. According to the specific situation and sensitivity of the issues, the researcher would and could switch the approach to observation in view of the quality of data and the researcher's personal safety.

In order to ensure the quality of the data, the researcher followed precisely the advice of Johns and Lee-Ross (1998), which included: researchers should not project their own motivations or preferences upon the subjects; researchers should not allow their personal experience to bias the focus of the observation; researchers should pay attention to minor details and not be bound by perceptions and past experiences.

Whenever possible, notes were recorded on site for further analysis. Under situations when it was unattainable, a detailed post-observation report was filed. All observations were well planned prior to execution.

There are four main methods of sampling for observations: ad libitum, focal, scan and behaviour sampling (Martin and Bateson, 1986⁹⁸). Samples can be recorded either continuously or intermittently. Owing to the nature and objectives

of the study, ad libitum and scan sampling was adopted. In most of the cases, a one zero sampling technique was capitalized for recording. Recording devices including camera, field notes, and checklists were employed.

Timeline of the Research

The study started off with a review of literature in 1997. The development of the initial conceptual framework was developed and submitted for perusal in spring 1998. A small-scale questionnaire survey was conducted in 1998 to solicit grounding information. Three site visits were conducted in June 1999, December 1999 and December 2000. Three focus group interviews were conducted in Hong Kong in 1999, and one in Phnom Penh. Key informant interviews were developed into a two-tiered format. The researcher approached the target and interviews on site and followed up with discussion and further interview by mail and email. This method proved to be efficient and cost effective.

Analytic Strategy

Analysing case study evidence is a difficult yet less developed area of the methodology. Yin (1984) suggested two general strategies for case studies: relying on theoretical propositions and developing a case description. Although the first alternative is said to be the preferred strategy, both approaches have been utilized in this study for different purposes.

The first half of the study is to determine the barriers and merits for developing tourism. This is more of a descriptive case study on the environment of Cambodia. A case description is deemed to be more applicable. For the second part of the study, which focused on the causal relationship between stakeholders' participation and tourism development, analysis is relying on the theoretical proposition.

For the long interviews, a personal data sheet was prepared for eliciting information about the participant's demographic details, such as education level, age, occupation and position, nationality and income. In practice, the execution of this data sheet caused embarrassments owing to the captioned data being perceived as sensitive and personal. So, this arrangement was cancelled.

Interpretation and presentation

The processes of analysis, evaluation and interpretation are ongoing, emergent, unpredictable, and unfinished (Denzin and Lincoln, 1998).

The terminal phase of a qualitative inquiry is interpretation, through a set of analytic procedures, and integration into a theory or put forward as policy recommendations (Denzin and Lincoln, 1998). “Interpretations are narrative, or storied, accounts” (Denzin and Lincoln, 1998:278). There is no standardized or preferred way or manner in analysing the findings and writing the narrative (Janesick 1994⁹⁹). It is the researcher who tells the story, convinces the audience and makes sense out of his written work. The postmodernism paradigm even argued that the character of qualitative research implies the non-existence of general criteria for judging its product (Hammersley, 1992:58). Interpretation is both project-specific and aimed at generalisation whenever appropriate. It is guided by the paradigm of the researcher¹⁰⁰, and subject to divergent evaluation criteria.

In order to maintain credibility and rigour of findings, interpretation follows Denzin and Lincoln’s (1994) procedures: 1) creation of a field text, which consisted of the field notes, empirical materials, and documents from the field; 2) translation of field text into research text with notes and interpretations; 3) “re-creation” of a working interpretative document, which tried to make sense out of the materials; and 4) production of the public text for publication. The final text presents the findings, ideas and recommendations of the researcher to the readers. Rigorous guidelines, such as those developed by Eisner (1991), Fetterman (1989), Goetz & LeCompte (1984), Lincoln and Cuba (1985), Miles and Huberman (1984) and Patton (1990), were followed and referenced for ensuring the quality of the interpretations.

There are serious debates over what criteria constitute good interpretation for qualitative investigations. Although criteria following the positivist or postpositivist traditions, viz., validity, reliability and objectivity, have not been totally abandoned as suggested by Altheide and Johnson (1998), validity has to be redefined. The quest for validity in this thesis was influenced by analytic realism, which stresses truthfulness and integrity. The researcher is well aware of weaknesses, such as being non-objective, partisan, partial, and incomplete and being inextricably bound to the contexts. As Hammersley (1992:69) argues, however,

“an account is valid or true if it represents accurately those features of the phenomena that it is intended to describe, explain or theorize.”

The society and subject for investigation are so complex, pluralistic and changing that both researchers and readers has unavoidable problems. Altheide and Johnson (1998) portrayed a template for defining the situation by its nature, origin, characteristics and consequences¹⁰¹. These problems included tacit knowledge¹⁰², subjectivity, communication problems, and self-and-otherness. These have to be dealt with in both interpretation and presentation of the findings.

The researcher's interpretation follows the constructivism/interpretivism paradigm that argues that a different set of evaluation criteria for qualitative research is necessary (Hammersley, 1992; Lincoln and Guba, 1985). The research relied upon triangulation¹⁰³ as a method of validation. Hammersley (1992) suggested that qualitative research work should be assessed by its ability to 1) generate generic / formal theory; 2) be empirically grounded and scientifically credible; 3) produce findings that can be generalized, or transferred to other settings; and 4) be internally reflexive in terms of taking account of the effects of the research and the research strategy on the findings that have been produced (Denzin and Lincoln, 1998:276-277). The multivocality (or Cacophony) has been reported faithfully.

“Research is a process of inquiry which is collective not individual; and it is geared towards the production of valid and relevant knowledge, rather than to the solution of practical problems” Hammersley (1992:131).

In terms of presentation, the researcher intended to facilitate the readers to engage the researcher symbolically and enter through the research window of clarity (Altheide and Johnson, 1998). Interpretive validity is one of the major concerns when writing the thesis. Despite validity is affected by the selection of genre, format, and how experiences are defined, organized and presented, the researcher adopts the postmodernist's view of formats and order in writing a social account; formats as metanarratives are important especially for a non-native English-speaking researcher. Atkinson (1992:51) contended that there is no perfect or transparent mode of representation. We abide to the disciplined accounts that are coherent, methodical, and sensible. As a rule, the thesis is not committed to any “old story” but truthfully presents the setting and situation of the subject.

Denzin (1998) asserted that any social researcher's authority could always be challenged because of different telling, styles and bias. Different tellings is unavoidable (Denzin, 1998). No permanent telling of a story can be given even if the same subject was studied. In acknowledging the fact that different researchers at different times could interpret situations differently, the report should briefly elaborate the findings related to how they were found, both in this methodology chapter and in the discussion of findings¹⁰⁴.

“Good sociological accounts point out the multiplicity of meanings and perspectives, and the rationality of these perspectives, by setting forth the context(s)” (Altheide and Johnson, 1998:307). This position was translated in the writings as well as the content design of the thesis.

Local assistants were solicited to help and verify the interpretation of the materials. It was essential since the researcher as an ethnography field-worker learnt through observing rather than experiencing. The search for emic or contextual, situated understandings must utilize experience-near concepts.

In terms of style selection, the researcher deliberately avoided the deployment of a particular axiom. Style takes form that governs the four critical steps of sense making, interpretation, representation and claims for legitimacy. The nature of the study led to the adoption of constructivism as interpretive style¹⁰⁵. In interpretation, the researcher adopted a descriptive realism approach, which attempts to allow the subject and facts to speak for themselves. Although interpretations are unavoidable, a multivoiced story should be reported.

All texts are biased. Objective interpretation is virtually impossible. To minimize bias and synchronize different tellings, triangulation was employed in analysis, interpretation and presentation. Drafts and write-ups were sent to selected key informants for perusal and verification.

ETHICAL CONSIDERATIONS AND ISSUES

Ethics are important in qualitative research. Punch argued, “Fieldwork is not a soft option, but, rather, represents a demanding craft that involves both coping with multiple negotiations and continually dealing with ethical dilemmas.”¹⁰⁶ Punch

and Fine¹⁰⁷ gave a detailed discussion on various stances regarding the “preferred” ethical standards. There is no universal standard for reference. The absolutist stance and the deception model, for example, are extremes on a continuum¹⁰⁸.

The relativist stance holds that it is impossible to have a finite set of ethical standards since each piece of research has different goals and objectives and has to face different environmental factors. The contextualized-consequentialist model is based on four crucial ethical criteria: “mutual respect, non-coercion and non manipulation, the support of democratic values and institutions, and the belief that every research act implies moral and ethical decisions that are contextual.” This research abided by this position except in the most sensitive cases such as sex tourism. To follow the set of ethical concerns laid out by Punch (Denzin and Lincoln 1994), the various issues were subcategorised into codes and consent; deception; privacy, harm, identification and confidentiality; trust and betrayal.

Code and Consent

The code of “informed consent” refers to the condition that the subject has the right to be informed that he or she is being researched. The subject should also be informed about the nature, purpose and background of the study. At any time, the subject can withdraw at their free will. Weppner¹⁰⁹, however, argued that this could jeopardize the “continued existence of much street-style ethnography.” Punch also argued that in certain circumstances, “gaining consent is quite inappropriate because activity is taking place that cannot be interrupted.”¹¹⁰ Hence, informed consent is unattainable in certain circumstances.

This research has a practical handicap over ethical ideals in view of the constraint and drawbacks of a strict application of informed consent. However, whenever possible, in the judgement of the researcher, an informed consensus was solicited.

Deception

Whether disguise, deception, and dissimulation are ethically acceptable require reconsideration. Punch argued, “Some measure of deception is acceptable in some areas where the benefits of knowledge outweigh the harms that have been minimized by following convention on confidentiality and identity.”¹¹¹ She also

suggested that a researcher need not “always be brutally honest, direct and explicit about one’s research purpose.” Gans (1962¹¹²) also suggested, “If the researcher is completely honest with people about his activities, they will try to hide actions and attitudes they consider undesirable, and so will be dishonest. Consequently, the researcher must be dishonest to get honest data.”

The researcher has to use disguise and deception on certain occasions when there is no moral alternative available. The rights of the subjects, however, always override the rights of science.

Privacy, Harm, Identification and Confidentiality

None of the respondents will be ‘named’ when the researcher undertakes the covert practices. The main objective of anonymity is to ensure that the studied subject(s) will not be hurt, harmed or embarrassed when the findings are published. Reiss (1979) claimed, “The single most likely source of harm in social science inquiry is that the disclosure of private knowledge can be damaging.”¹¹³ Therefore, informants’ identities will not be disclosed without their consensus.

Trust and Betrayal

Trust by the subject is one of the most critical elements to be developed by a researcher in order to gain access to the knowledge. The departure of the researcher and publication of findings can result in a sense of betrayal. This could eventually lead to the emotional damage of the respondents and close up the gateway for future studies.

In this research, the researcher has paid additional attention to the potential threats of any feeling of betrayal. On the one hand, the researcher has identified himself as a researcher and solicited informed consent from the researched subjects whenever possible. Therefore, the departure of the researcher and the publication of findings will not create serious emotional damage. On the other hand, the researcher has tried not to foster any unreal expectations of the respondents while trying to visualise the importance of their contributions to the study.

LIMITATIONS AND PROBLEMS

Limitations and delimitations of this thesis can be sub-categorized into two dimensions: the overall research design and the selection of particular tactics. This section attempts to explain these limitations and any delimitation according to this sub-categorization.

One of the limitations with the long-interview is the bias caused by no anonymity. As Johns and Less-Ross suggested, respondents might feel bound to say what he or she perceived as the “right” thing.

As mentioned earlier, qualitative study cannot generalize a broad and truly representative view of the population. Opponents of qualitative research deny its value owing to the lack of factual data-based validity (Johns and Lee-Ross, 1998). Samples are fragmented; sample sizes are normally small, and time consuming. The data analysis process involved a large extent of subjective interpretation. Qualitative research is subject to two major critiques, the representational crisis and the legitimization crisis (Denzin and Lincoln 1994).

In order to cope with this limitation, rectifying tactics have been employed for improving the validity and rigour of data and data interpretation. The basic criteria of credibility, transferability, dependability and conformability have to be complied with.

Conducting research in LDCs often presents methodological problems too (Maynard-Tucker, 2000). One of which is the language barrier. Khmer, the language of Cambodian, is an alien language to the researcher. In order to overcome this barrier, local assistance was solicited. The translation, necessarily, is still subject to various levels of bias.

Colonizing discourse of “others” can be a serious delimitation of qualitative studies. That means to understand, evaluate and interpret the “other” in the “eyes and cultural standards of the researcher.” In this particular research, the researcher has attempted to minimize this impact by the establishing a model of interpretation validation, under which Cambodian assistance was solicited to accompany observations, interviews and to verify the texts. The concept of “otherness” still, unavoidably, lingers throughout the study. According to Michelle Fine (in Denzin

and Lincoln 1994), it is an even more terrifying aim of research to try to “help them”. This research has an intrinsic mission is to “help” the nation to redevelopment tourism in such a way that it will be sustainable, economically, ecologically, culturally and ethnographically.

SUMMARY

This chapter has given a detailed illustration of the research design, the selection of methodology, the execution of the research plan and various considerations including limitations, delimitation, assumptions, and ethical concerns. As a summary, a case study was the design of the research. The thesis employed the researcher-as-bricoluer approach, which enable the researcher to utilize whatever methodologies, strategies and materials are at hand, and apply new tools whenever appropriate (Denzin and Lincoln 1994). In other words, methodologies for the study are not fixed in advance. The selection and employment will change as the project progresses and as context requirements change. According to Denzin and Lincoln (1994), qualitative research is multi-method in focus and the use of triangulation or multiple methods is used to secure an in-depth understanding of the phenomenon in question. “The combination of multiple methods, empirical materials, perspectives and observers in a single study is best understood as a strategy that adds rigor, breadth, and depth to any investigation” (Denzin and Lincoln, 1994, pp2). The three basic methods for this qualitative research included interview, observation and document analysis. They have been utilized with variations, overlapping and combinations to match with the research needs and conditions.

Secondary data include a much wider scope of published work including academic papers, books, novels, published statistics, promotional materials, newspaper clippings, travel books, and policy statements. Both data and method triangulation were implemented. The triangulation of methodologies is de facto offering a triangulation of sources of views and opinion.

The selection of a particular methodology was chosen to fulfil specific objectives. The core framework of study is an integrative approach, which inclines more toward the qualitative end. As mentioned by Johns and Lee-Ross (1998), qualitative

research tends to suffer a deficiency in representativeness. Representativeness, however, is not a major concern of this thesis. Qualitative research has the strength of higher flexibility and good for exploring the deeper or hidden aspects of a subject. Data sources were selected to cover opinions from administrative, industrial, potential markets, academia, the Third Sector and community prospective.

⁷⁷ According to Julienne Ford⁷⁷, truth has four different sub-categories: the empirical truth of the scientist (T₁), the logical truth (T₂), the ethical truth (T₃) and the metaphysical truth (T₄). T₁ is a truth that “cannot be tested for truthfulness against some external norm such as correspondence with nature, logical deducibility, or professional standards of conduct.” According to Lincoln and Guba (1985), basic beliefs can never be proven T₄. It can only be taken for granted as T₁.

⁷⁸ This perfectly matched with Hammersley’s (1990) descriptions of qualitative research (cited in Johns and Lee-Ross, 1998:121).

⁷⁹ Denzin and Lincoln (1994) Handbook of Qualitative Research. Sage Publication, pp2

⁸⁰ Johns and Lee-Ross (1998) asserted that a qualitative approach can reveal issues that are not foreseen in the original research schedule at all and is particularly “useful” for high-level degree studies since it has the advantage of flexibility, which enables the development of the area of interest over time.

⁸¹ Qualitative research has the potential to probe deeply into the subject, and to uncover subtle and complex issues (Denzin and Lincoln, 1994).

⁸² Ryan’s criteria for ensuring the methodological rigour: Credibility (result and interpretation must be acceptable to others); Transferability (result must be relevant to other situations and settings); Dependability (finding must permit forecasting and extrapolation); and Conformability (same result should be obtained from similar groups and settings).

⁸³ Decrop (1999) defined triangulation as “looking at the same phenomenon, or research question, from more than one source of data.”

⁸⁴ In: Denzin and Lincoln

⁸⁵ Denzin & Lincoln 1994, pp200

⁸⁶ LeCompt and Preissle, 1993 quoted in Denzin and Lincoln, 1994, pp.14

⁸⁷ Denzin and Lincoln. 1994, pp.84.

⁸⁸ Denzin and Lincoln 1994 defined a case study as a research practice, which relies on interviewing, observing, and document analysis. They also argued that a case study is not a method but a choice of object to be studied.

⁸⁹ Yin, Robert. 1993, pp59

⁹⁰ Construct validity refers to the establishment of correct operational measures for the concepts being studied; Internal validity refers to the establishing of a casual relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from a spurious relationship; External validity refers to the establishment of the domain to which a study’s finding can be generalized; and Reliability demonstrates that operations of a study – such as the data collection procedures – can be repeated, with the same results.

⁹¹ Yin, R. (1984), pp.91

⁹² Denzin and Lincoln 1994, pp205

⁹³ C. Wright Mills, 1959. Cited in Kellehear 1993:53

⁹⁴ Johns, Nick & Lee-Ross, Darren. (1998). Research Methods in Service Industry Management, Cassell, London and New York, pp.121.

⁹⁵ Gilchrist and Williams (1999) suggest that the selection of key informant must be done very carefully to avoid bias since the communities are usually heterogeneous.

⁹⁶ According to Kumar et al, how to combine the discrepant responses of multiple informants is an unsolved issue. The latent trait approach, the aggregation approach and consensual approach are possible alternatives for resolving the negative aspects.

⁹⁷ Kellehear (1993) argued that observation is a preferred mode of research because it forces the observer to familiarise themselves with the subject; it allows previously unnoticed or ignored aspects to be seen; people’s action are probably more telling than their verbal accounts and observing these are valuable; and it is unobtrusive and when obtrusive, the effect wears off in reasonable time.

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- ⁹⁸ Cited in Kellehear, 1993: 130
- ⁹⁹ In Denzin and Lincoln, 1994.
- ¹⁰⁰ Denzin and Lincoln (1994) summarized the four fundamental paradigms, viz., positivist, postpositivist, constructivists, and postmodernism. Denzin (1998) contended that the four major paradigms (positivist, postpositivist, constructivist and critical) and three major perspectives (feminist, ethnic models, cultural studies) now structure qualitative writing.
- ¹⁰¹ Altheide and Johnson (1998) suggested that researchers should report: the contexts: history, physical setting and environment, participants, activities, schedules and temporal order, division of labour and hierarchies, routines and variations, significant events and their origins and consequences, members' perspectives and meanings, and social rules and basic patterns of orders.
- ¹⁰² Tacit knowledge included what actors know, take for granted, and leave unexplicated in specific situations, things that may have been "learned" in some formal and semiformal sense at some earlier time, both substantively and procedurally. Tacit knowledge may also include deep structures from emotional memory of past generations, enabling responses and actions deeply ingrained in human emotional and physical survival. ...[and] common sense that provide the deep rules and deep substantive or cultural background critical for understanding any specific utterance or act" (Altheide and Johnson, 1998:299).
- ¹⁰³ While the crystallization approach for interpretation, as suggested by Laurel Richardson, has not been employed in this thesis, its axiom, which argued for the non-existence of a single, or triangulated, truth has major influence upon this research.
- ¹⁰⁴ Altheide and Johnson (1998) contended that the process or way of knowing is as important, if not more important, to the objective truth of the subject. General claims should not be made without knowing how the message was produced and how the audience member was situated to interpret it.
- ¹⁰⁵ Denzin (1998:330) contended, "a good constructionist interpretation is based on purposive sampling, a grounded theory, inductive data analysis, and idiographic (contextual) interpretations. The foundation for interpretation rests on triangulated empirical materials that are trustworthy (credibility, transferability, dependability and confirmability)."
- ¹⁰⁶ Cited in Denzin and Lincoln 1994, pp84.
- ¹⁰⁷ cited in Denzin and Lincoln 1994
- ¹⁰⁸ The absolutist stance argues that researchers have no rights to invade the privacy of "others". Therefore, only behaviours and experience occurred in the public areas can be studied. The deception model, however, argues that the researcher can perform whatever investigation they wish on the researched subject in view of science, truth and understanding. Hence, even lying, misrepresenting oneself, duping others, setting people up, using adversarial interviewing techniques, for example, can be justified.
- ¹⁰⁹ Quoted by Punch in Denzin and Lincoln 1994
- ¹¹⁰ Denzin and Lincoln 1994, pp90
- ¹¹¹ Denzin and Lincoln 1994, pp91
- ¹¹² Quoted by Punch, in Denzin and Lincoln 1994
- ¹¹³ Denzin and Lincoln 1994, pp93

Chapter 5: Development and evaluation of framework in the context of Cambodia

INTRODUCTION

“The overriding objective of the Royal Government is to achieve a fair, just and peaceful society and, through accelerating the rate of economic growth, to raise the living standards of all Cambodians. In short, the Government is striving to achieve sustainable growth with equity and social justice” National Programme to Rehabilitate and Develop Cambodia, February 1994.

The system model of the tourism for an LDC is constructed within its contextual setting of economic, political, socio-cultural, and natural environment (see Figure 3.11). The model is sub-divided into two main tiers: the macro environmental tier (the outer circle) and the tourism system tier (the inner logistic circle). The line between these two tiers is blurred. As will be revealed in later discussions, the macro environments are, in many cases, the direct action environments of tourism development in LDCs.

Chapter 5 and 6 are to verify the tourism system model presented in Chapter 3 (Figure 3.11) with findings from Cambodia. This chapter focuses on the outer circle of the model and Chapter 6 on the inner circle. Discussions and analysis of these two chapters were generic in nature but used Cambodia as a specific subject for illustration. By applying the model, a list of barriers and obstacles to tourism were identified for discussion in Chapter 7. Recommendations are given in Chapter 8 as a conclusion to the thesis.

The development of measurements in this particular study is difficult in the absence of a comparative yardstick. Hence, the researcher makes use of a combination of explicit standards of “required performance” defined by stakeholders and by excellent performers, if available, to identify competence and problem areas.

The findings presented in this chapter, unless otherwise stated, are the consolidated views of various respondents and other sources of evidence. Individuals will normally not be identified with the exception of disputes and

disagreements, which would be indicated in the text.

THE MACRO-ENVIRONMENT OF CAMBODIA

In various works (for example, Lundberg, 1995; Archer, 1995; Clancy, 1999; Crouch, 1994; and Fleming and Toepper, 1990), the development of tourism has been illustrated in an economic context. The contextual setting featuring LDCs, however, prescribed the prevalence of the socio-political planning paradigm. Tourism is a socio-political phenomenon rather than merely an economic activity.

“Recreation and tourism should be considered within a three-fold framework of concerns: the natural environment, the socio-economic and cultural environment, and the management environment.”¹¹⁴

This thesis’ model featured four major macro environments: political, economic, natural and social environment. A major challenge to the discussion is that all these environments are intertwined. Therefore, materials and points of argument grouped under any one section actually have implications to other domains.

Political Environment

It has been argued that everything in Cambodia is political (Yamakawa, 1999; Tan, 1999 and Thoeun, 1999). The political sphere in Cambodia is two-fold: the external and the internal political arena.

External Environment: Multilateral and Bilateral Interventions

“The participation to the regional initiatives such as ASEAN Free Trade Area (AFTA), the ASEAN Industrial Cooperation (AICO) scheme, the ASEAN Investment Area (AIA) and full membership to ASEAN have marked a new era of commerce-driven multilateral relationship.” (H.E. Keat Chhon)

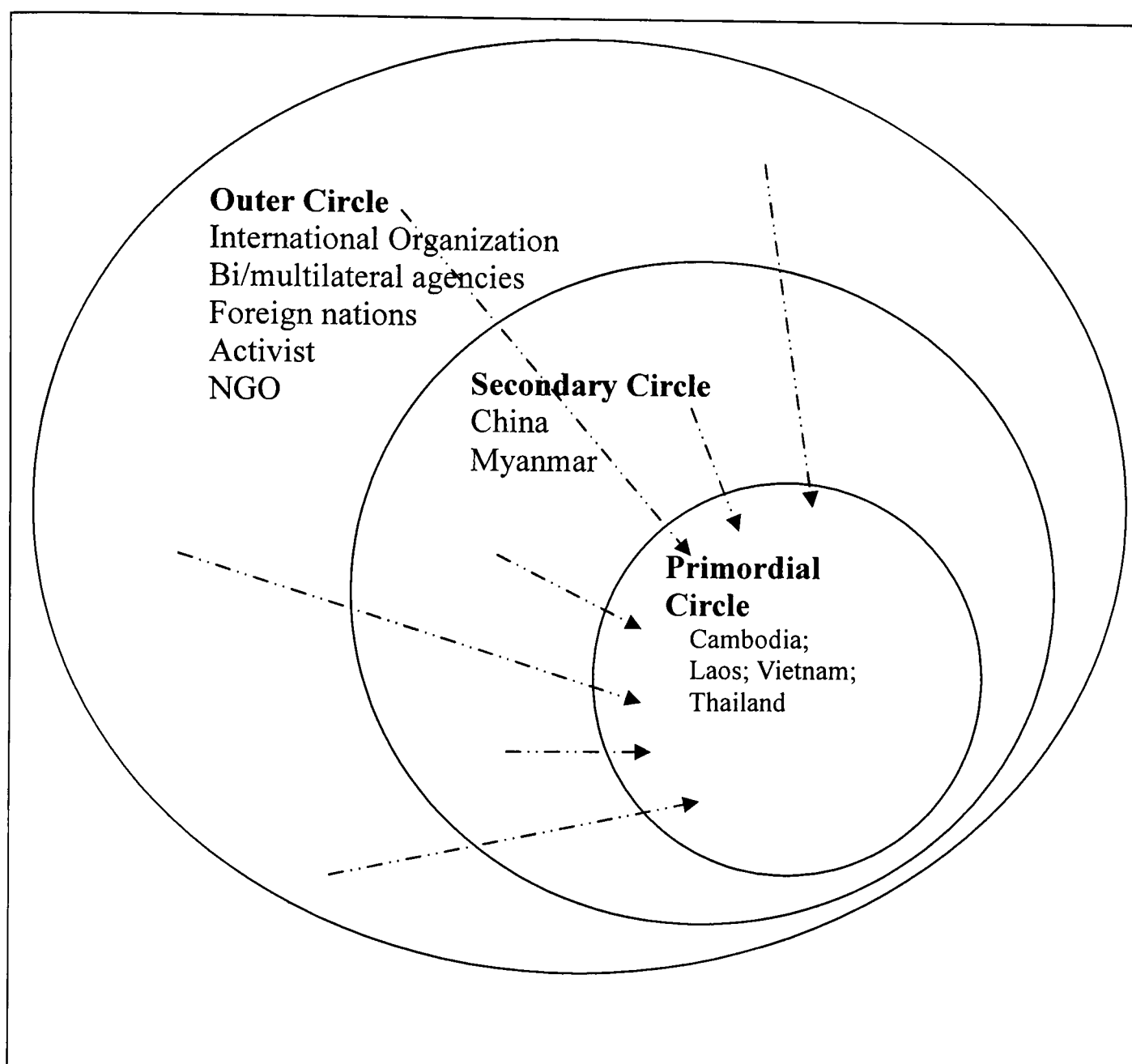
A unique feature of the proposed model is international and bilateral intervention and co-operation. In the highly globalized macro setting, any country or economy’s attempt to stay within its own rights and to be detached from the foreign influence is futile (see Hui, 2000; De Soto, 2000). The Royal Government of Cambodia (RGC) is keen to re-integrate into the international arena by subscribing

to international organization memberships (Thoeun, 1999; Veng, 2000)¹¹⁵. In order to verify the importance of this subject to the development of tourism in LDC, this section will investigate the history, nature and impact of international intervention in the economic and tourism development of Cambodia.

For the last 50 years, the political environment in the region has been sensitive and fragile. The Second Indochina War (1954-1975), the Third Indochina Conflict (1978-79), and various confrontations have turned brothers into enemies, riparian against riparian (Nguyen, 1999:199). With the fall of the Pol Pot regime in Cambodia, the dissolution of the Soviet bloc towards the end of 1980s, the ending of the US Trade Embargo against Vietnam in 1994, the assistance and intervention of foreign government and international NGOs, tension is gradually easing and peace is being gradually restored in the region¹¹⁶. The re-establishment of diplomatic relationships between US and Vietnam and the setting up of the war crime tribunal for the Khmer Rouge has been regarded as the removal of the last obstacle to the return of normalcy. RGC's policies shifted from military rivalry to competition for economic development and prosperity. The return of peace also facilitated bilateral and multilateral cooperation¹¹⁷, which included the Mekong Committee, the Mekong Project, the Greater Mekong Region and Sub-region, the FTA of Mekong and the ASEAN. It is also regarded as a "green light" to tourism development (Tan, 2000; Veng, 2000).

The external environment of Cambodia can be grouped into various circles by proximity and level of interaction. Nguyen (1999: 216-218) categorized the environment of the Mekong into the primordial and outer circle. The primordial mainly consists the four nations in the lower Mekong Basin, viz., Cambodia, Laos, Vietnam and Thailand, while the outer circle included various nations and organization that share an interest in the Mekong. Figure 5.1 presents an alternative grouping by introducing a secondary circle, which is composed of two up stream nations: China and Myanmar. The grouping is for the ease of discussion and signifies the fundamental differences in terms of involvement between the members in the secondary and the outer circle. The discussion of the external political environment will be sub-categorized into external aid and assistance; foreign relationship and foreign investment. The discussion will focus on critical issues and development implications. More details are given in the appendices.

Figure 5.1: International Arena of the Mekong Region



External Aid and Assistance

“Cambodia is now the recipient of millions of dollars worth of aid each year. Over two hundred international Non Government Organizations (NGO), with personnel from around the world applying a myriad of development theories, are attempting to change Cambodia to fit a vision the developed world can see as being acceptable” (Peter Arfanis’ presentation at the Australian Society of archivists annual Conference, 29th July 1999.)

External intervention is critical to the development of Cambodia (Yamakawa, 1999¹¹⁸; Tan¹¹⁹, 1999; Veng, 2000¹²⁰). These intrusions of alien influences from foreign governments or the private sector are in the form of investment, aid and

assistance. Major categories include: 1) Intervention from international agencies such as United Nations and their affiliates, World Bank, ASEAN and Asian Development Bank; 2) Foreign Government aid and assistance; 3) Financial and technical support from NGOs, such as the Ecumenical Coalition on Third World Tourism, Oxfam and World Vision; 4) Direct involvement of foreign operations on restoration and rehabilitation projects; 5) Private aids and assistance, such as the financial support of a family member from overseas or foreigners coming to adopt orphans.

External intervention, in the model, is a factor, which cuts across the inner and outer circle. In order to avoid duplication, the discussion in this section focused on international aid and assistance, and political intervention. The local Third Sector will be discussed in Chapter 6.

The role and scale of external intervention is critical and essential to Cambodia. According to the Council for the Development of Cambodia (CDC), the total disbursements for 1992-1997 amounted US\$2,337 million. The largest intervention is the United Nations Transitional Authority in Cambodia (UNTAC) during 1992 and 1993 (see Appendix J for details of the program). Its main mission is to oversee a peace process and to promote post-conflict rehabilitation and reconstruction.

The 20,000 personnel triggered short-term economic growth and induced the development of tourism infrastructure. As observed by Utting (UNRISD, 1994), “the UNTAC’s presence led to the rapid growth of urban service sector activities, which included shops, hotels, restaurants, nightclubs, massage parlours and brothels.” Hotel Cambodianna in Phnom Penh, for instance, was originally built for the UNTAC personnel. Tourism business, however, has not been sustained after the departure of the UNTAC.

UNTAC has been criticized for its incompetence to respond to the socio-economic needs of the population. The original idea of stimulating trade, construction, infrastructure repair, generating employment, training and investment in a new private sector, turned out to be unachievable.

Although some criticized UNTAC as an ‘almost total failure’ (Santhor, 2000), its experience revealed some critical issues for international intervention in Cambodia. One of the reasons why UNTAC failed to promote domestic development is the extreme difficulty in addressing the pressing economic and social needs without favouring any one faction of the government and maintaining its neutral position. Others included the paucity of local resources and domestic institutions; the foreign domination of aid projects; the tension and competitions among donors, agencies and donor countries (Li, 2000¹²¹; Gray, 2000¹²²; and Kiyotaka, 2000¹²³); and the threats of Khmer Rouge.

The intervention of different agencies and donors has further aggravated the problems. According to Utting (UNRISD, 1994), “what is particularly disturbing is that this pattern of intervention may have served to transform the Cambodian economy and society in such a way as to distort or undermine the development process for many years to come.” (Refer to Appendix J for details of ADB, WB and UN’s participation in Cambodia).

Table 5.1: Some International Aided Projects in Cambodia

	Amount (US\$)	Title / Nature	Agent	Objectives
July 1992	\$880 million		Various country via ICORC	Rehabilitation
1996	\$460,000	Sewage plant in Battambang	Sawa (Dutch NGO)	Sewage modification and engineering.
1997-1998	\$199,980	Developing Cambodia's Research Community	IDRC/ LIDEE Khmer	To improve the local research and policy planning ability.
1997-2000	\$426,784	Communities Managing Mangroves (project # 40401)	IDRC/ MoE	To set up community-cased planning and management in nationally protected coastal areas of Koh Kong Province.
Oct 4, 2000	\$100,000 and emergency material aid (equivalent to about 20 million yen)	Emergency Aid to Cambodia for Flood Disaster	Japanese Government	Emergency Aid to Cambodia for Flood Disaster
1997-2003	\$508,242	Protecting Forest in Ratanakiri Highland	IDRC/ Cambodia Area Rehabilitation & Reconstruction Project/ UNDP	Protecting forest
1998-2001	\$603,414	The Pan Asia Networking (PAN) Programme -satellite enable internet access	LIDEE Khmer/ IDRC/ Japan Satellite Systems	Bring internet access to Cambodia
1999-2001	\$257,900	Understanding Labour Markets and Growth in Thailand and Indochina (project # 100199)	IRDC/ Cambodia Development Research Institute	To examine the link between labour market, growth and poverty.
1999-2002	\$392,440	Community forestry research (project #100112)	IDRC/ MoE	Environmental management
April 2000	TBD	Financial and technical assistance	World Bank	Against AIDS
May 2001	2580 million yen	The Project for Expansion of Phum Prek Water Treatment Plant	Japanese Government	
May 2001	1975 million yen	The Project for Rehabilitation of National Road No.7 Kampong Cham	Japanese Government	
Jun 20, 2001	851 million yen	The Project for Improvement of Bridges on National Highway Route 6A	Japanese Government	
Aug 21, 2001	311 million yen	The Project for Human Resource Development Scholarship	Japanese Government	
Dec 6, 2001	2000 million yen	Sector Programme Grant Aid	Japanese Government	

On the one hand, Cambodia, as the receiver, was not prepared for the sudden influx of aid. The local communities have been unable to get the utmost benefits from these programmes. For example, some of the restoration programmes at the

Angkorean sites were intended to develop local capacities but the local staffs was not prepared for the technology transfer. Under the time and resource constraints, the training mission was often forgone (Jiang, 2000¹²⁴; Kiyotaka, 2000¹²⁵). Curtis even argued that Cambodians have lost their sovereignty and the sense of self-direction in this process.

“Cambodia may rather blindly follow a path that does not correspond to the country’s development priorities and is unlikely to be in the best interests of the country and its people.” (Curtis, 1998)

On the other hand, foreign and international aid amalgamated their experiences, perceptions and expectations into the Cambodian cultural context but often disregarded the perceptions, preferences and needs of the local community. For example, while international agents and NGOs have been promoting tourism as the catalyst for economic growth, no serious work has been conducted to investigate the country’s readiness in pursuing tourism-led economic reform. The physical readiness of the monuments, natural conservations and infrastructure, the emotional / spiritual readiness of the local people to receive tourists, the availability of financial institutes to backup investment projects, law and enforcement, and the carrying capacity of the eco-system have rarely being consulted. As Arfanis (1999) signed over the work of archival preservation, it became a character of foreign aid projects that the impetus for aid “is motivated by individual economic gain and the international aid community.” There is a general lack of collaboration among them.

The researcher, as well as various informants (for example, Yamakawa, 1999¹²⁶; Sisowath, 1999¹²⁷), also found it extremely difficult to mobilize the local Cambodians. Their political affiliation, language barriers, and the excessive amount of moonlightings are perceived as underlying reasons for their reluctance to participate (Yamakawa, 1998 and 1999¹²⁸; Gray, 1999¹²⁹; Xu, 1999¹³⁰; Kiyotaka, 1999¹³¹).

Furthermore, the continuous inflow of international aid has skewed the growth and development of Cambodia. Using UNTAC¹³² as an example, the large-scale deployment of funds that was supposed to revitalize the local economy enhanced marginalization. The wealth created was concentrated among the elite¹³³. Based

on the researcher's observations and informants' inputs, the conditions of the traditional agrarian communities remain very much the same, or even worsen. Peasants in the rural areas did not receive much assistance. In the process of development, they lost land and traditional means for living, which led to large-scale migration from rural to urban areas. This population movement created new social problems, such as crime and public health issues.

The skewed economic growth, in turn, promoted "deprofessionalization" (UNRISD, 1994). For example, doctors gave up their profession to work as translators, tourist guides or taxi drivers for higher income. This structural "brain drain" seriously affected the prospects and sustainability of the economic redevelopment. Uncontrolled private investment has promoted corruption (for example, Utting, 1994; Leung 2000; Leung, Lam and Wong, 1997). It has become deeply rooted in the mindset of the business economy and "cannot be simply corrected by a few decrees." Utting cited Grant Curtis that:

"Elements of Cambodian society ... now have a vested interest in maintaining such uncontrolled practices, and their correction, not to speak of elimination, will be a long, complicated and costly process for the newly elected government."

In addition, some of the foreign aid projects were short-lived. Projects started with a tight schedule and deadline. Sometimes aid and assistance will have to stop before they can accomplish any significant outcomes. In order to justify their presence, they tend to aim at short-term, if not short-sighted, results (Jiang, 2000). The local capacity development is always a lower priority. Local staff can hardly sustain the work after the departure of foreign aid. Some of them work for foreign project because of the higher status, salary and benefits rather than sharing a common mission. They would almost immediately switch to another project once the aid departs.

Most foreign projects come with their system, which incorporates technology, equipment and logistics. They seldom assess the appropriateness of these variables to the local context before applying their work. The local community, on the other hand, tends to accept whatever is given to them. Take the case of tourism development as an example. The concepts of tourism, sustainable development,

cultural and eco-tourism are not well comprehended and recognised by the concerned local parties. The heavy reliance on foreign aid and support has a strong impact on the local policy and governmental strategy formation made it extremely vulnerable. Upon expiry or departure of the aid, the system could easily break down and be abandoned.

An even more serious problem was projects' uncoordinated, egocentric and even competing nature, which might aggravate the country's reliance on aid and assistance. Godfrey et al (2002) conducted an extensive study on aid projects in economic management, education, health, agriculture and rural development. The ownership of the projects has been a critical issue in determining their contribution to the local community. As contended by the RGC¹³⁴, donors and aid partners are driven largely by their own institutional or national mandates rather than the needs of the recipients.

Although the author has not been able to conduct as thorough an analysis as the work of Godfrey et al (2002), experiences gained from direct participation in international aid projects and interviews with aid coordinators and agents confirmed the "backwash effect" of international aid. For example, various training sessions by various donors have ended up with limited success owing to the low participation rate; consultancy recommendations not being incorporated into policies; and too little attention given to developing local capacity.

Almost ten years after the UNTAC programme, Cambodia is still backward and poor. The Cambodian government's efforts at achieving a balance of payments and less reliance on foreign aid achieved little success. Throughout the years, international aid and assistance fluctuated in terms of volume, nature and purpose (see Table 5.1) but its importance and problems never ceases. Projects and programmes have often been bridled by the donors' own agenda and objectives. The lack of a conceptual view and a coordinating mechanism seriously affects their effectiveness and efficiency. For example, assistance and aid are highly concentrated in only three of the twenty-one provinces, with the majority of the rural population largely neglected. Many of these projects failed to recognize the actual needs and wants of local communities. Foreign aid, thus, "weakens or replaces, rather than strengthens, local capacity" (Utting, in UNRISD, 1994). Projects often

bypassed local institutions, which could and should have played a more important role in the reconstruction of the country. Most of the programmes, therefore, ended with little accomplishment but a lot of frustration¹³⁵.

Foreign aid programmes are not all ineffective. For example, there were 674 United Nations Volunteers (UNVs) from 65 different countries to serve the UNTAC. This work force, unlike most of the others, received a basic training in the Khmer language and customs. Rather than concentrating in a certain urban areas of the country, they spread out in 172 districts in 18 provinces. They effectively accomplished the mission of mobilizing the local communities to participate in the election. Their success suggested that international aid could take a more active and contributory role in the rehabilitation of the country.

“There were big expectations on both sides when we arrived in our district. But we turned up in a large white car with no medicine, no food and no water. Instead we talked about the Paris Peace Agreements, elections, civil rights and the role of political parties, which was not what the Cambodians wanted to hear. We were able to offer jobs to 60 people but thousands were left waiting to be recruited. As a result, people are not happy with UNTAC and it had been difficult to build trust.” (UNV reported in Utting, 1994¹³⁶)

Towards the end of the transition period, much of the international aid had gone through a fundamental evolution. NGOs tended to directly support community-based programmes rather than granting assistance to government institutions. Although there were still many projects and programmes which did not respond to the actual needs of the community (for example there was food assistance to Cambodia each year even though there was an excess harvest in 1999 and 2000), more projects are addressing the real problems of the nation (for example Oxfam’s projects are directed towards the alleviation of poverty rather than simply providing financial assistance to the government).

UNESCO, APETIT, World Tourism Organization, and UNDP have launched various programmes to assist Cambodia in using tourism as a development agent. Although not all of these programmes have been successful, both the government and the private sector are more aware of the importance and potential of tourism as a

result. Linkage and networks, despite being weak at that moment, have been established between Cambodian and foreign agencies (refer to appendix J for more details regarding WTO and ESCAP's involvement in Cambodia). It is important for both RGC and international agents, such as WTO, to learn from the lessons and experiences of prior international projects in Cambodia so as to ensure the effectiveness of the fore-coming projects.

Bilateral and Multilateral Relationships

Cambodia's tourism and trade development is still in its toddler stage. Being one of the most fragile, both politically and economically, and the smallest country in the region, its development is influenced and bounded by the bilateral and multilateral context. At the same time, Cambodia has been struggling to escape from the excessive influence from the US and to establish healthy relationships with other countries in the region. One of the rectification strategies utilized is its proactive pursuit to be a member of regional and international associations, which included the Mekong Committee, ASEAN and World Trade Organization.

The Mekong Committee is a forerunning multilateral initiative in the region with its main goal to aid the member nations to attain through the development of the potential of the lower Mekong basin (Nguyen, 1999:203). Its membership composed of the four riparian countries, viz., Cambodia, Laos, Thailand and Vietnam, and Myanmar and China from the upper stream.

The Mekong Committee and the Greater Mekong Subregion Project (GMS) are critical to the development and tourism of Cambodia. Although there is no agreement on the development of tourism, the impacts on the natural, social and economic arena have different levels and forms of impacts on tourism. For example, the normalization of relationships between member states has eased the tension in the region and promoted tourist arrivals; the dam projects have negative impacts on the environment and the attractiveness of some destinations; the intra-regional labour movement and the flow of commodities under multilateral agreements are also affecting the developing of tourism.

"Cambodia is one of the countries involved in the Greater Mekong Subregion Project... Bounded by a common river and the desire to

showcase its tourism "jewels", the six countries seek to promote the Greater Mekong Sub-region as a tourist destination." WTO homepage

In 1997, an Agency for Coordinating Mekong Tourism Activities (AMTA) was proposed by the Tourism Authority of Thailand (TAT) to act as a secretariat in charge of the Greater Mekong Subregion Project. A web page is maintained and tourist information has been disseminated but no critical initiative has been reported so far.

Another important regional organization is The Association of Southeast Asian Nations (ASEAN), which was founded on 8th August 1967 with the vision of a united Southeast Asia, the ASEAN-10 (Chhon and Moniroth, 1999:11). The vision of a united SE Asia and the establishment of the ASEAN Free Trade Area (AFTA) projected a hope of disintegration from the distant west. Joining ASEAN as full member became one of Cambodia's highest priorities (Chhon and Moniroth, 1999:11). The Cambodian government also expected that the regional integration instituted by ASEAN could generate "positive externalities" that is critical for stimulating economic development in the country.

Cambodia became a full member of ASEAN in 1998. Although there are inevitable costs associated with it, RGC believes it could ease the tension within the region and bring prosperity. The regional political stage is a ragged sampan rocked by vigorous waves. The upheavals in the Philippines, the political unrest in Malaysia, and the political turmoil in Indonesia are just a few examples. The uncertainty threatens the intra-regional tourism business and affects investments into the region.

In this instance, the ASEAN Regional Forum in July 2001 discussed the possibility of utilizing "preventive diplomacy" to defuse regional conflicts. The disagreement and differences among the nations, however, remain too big for any immediate resolution.

Various foreign countries shared different levels and degrees of interest in Cambodia and its development. Among these countries, Japan, China, the United States, Thailand and Australia are the most significant. Japan's involvement is vast and diversified (see Table 5.2). It financed and promoted initiatives through ADB

and UNESCO, and directly involved in certain projects such as the JSA and infrastructure development. Cambodia’s first bridge over the Mekong River¹³⁷, which cost \$56 million, was financed by the Japanese government. This 1.5 kilometres long bridge is expected to boost trade in the country and improve linkages with Laos and Vietnam. The Japanese private sector also contributed to the development. For example, The Japan Satellite Systems sponsor a satellite, a US\$ 603,414 project, which facilitates the full Internet access of the country.

Table 5.2: Japanese aid to Cambodia from 1994-1998

Year	Amount (US\$ million)	Share of total aid to Cambodia
1994	11.5	35.7
1995	152	44.6
1996	71.3	28.2
1997	61.6	27.3
1998	81.4	35.3

Apart from financial aid and assistance, Japan also played a major role in formulating a peace agreement among the various Cambodian factions in the process leading to the conclusion of the Paris Agreements. Japan made diplomatic efforts in cooperation with Thailand to persuade the Pol Pot’s faction to cooperate under the Agreement. Japan also participated in the Peace-keeping Operations in Cambodia and assigned 30 observers to monitor the election of the National Assembly in Cambodia on July 26 1997 and contributed more than US\$ 6.5 million (expenses for election preparation and for the UN activities), and dispatched a JICA expert for the National Election Committee (NEC), which coordinates the election observers. Japan also chaired the Ministerial Conference on Rehabilitation and Reconstruction of Cambodia and the ICORC, which played a central role in the reconstruction of Cambodia. Japan also extended various forms of technical assistance to Cambodia such as with judicial system improvements and cultural cooperation through the hosting of the "International Conference on the Safeguarding and Development of the Historical Site of Angkor" in October 1993.

Japan has been the top donor to Cambodia since 1995. The Japanese involvement, however, is clouded by the recent economic downturn in Japan. Although Japan has been keen to emulate China’s regional position by enhancing its relationship with ASEAN countries, its slackening domestic economy seriously

affected Japan's future involvement. The Japanese Yen has depreciated from what was US\$1 to 119 Yen in Oct 2001 to 132 Yen in January 2002. Some of the analysts even suspect the Yen will go down to 160 or even 200 in the long run. The departure or reduction of Japanese assistance has serious impacts on the development of the country.

China and Thailand have key roles to play in the development of tourism in Cambodia. Owing to their proximity to Cambodia, cross-border activities already exist. China has a long history of interaction with Cambodia. The Chinese government once supported the Khmer Rouge in fighting against the Soviet Union supported Vietnamese. The China's brief invasion of Vietnam in 1979 was because of Cambodia.

According to the Australian Department of Foreign Affairs and Trade (2001), "China's geopolitical interest in Cambodia diminished with the end of the Cold War although it retains considerable influence, including through close links with King Sihanouk and many senior members of Cambodian Government, as well as the ethnic Chinese community in Cambodia totalling around 400,000 people." The visit of President Jiang Zemin of PRC in November 2000 and their increasing influence in ASEAN are indicators of a new era of Chinese interest in the region.

China is strategically significant to Cambodia. On top of ordinary trade and bilateral activities, China is the most critical constructor of dams and irrigation projects. China has also been active in transportation projects in the region and a prominent target for soliciting aid and assistance in the region. For example, in February 2000, Suthep Thausuban, Thailand's Transport and Communications Minister urged China to financially assist the trans-national highway system that runs through Thailand, Burma, Laos and China. In addition, China was requested to aid the construction of the 48km Poipet-Sisophon railway section in Cambodia.

China also serves as a role model for the economic reform and development. The "Open-door" policy and the economic miracle¹³⁸ demonstrated that economic development is attainable and projected a perception that economic liberalization and international integration are the credentials for development and solutions to poverty. The fast tourism development in China became an archetype to follow.

China also signifies a huge tourist generating market for Cambodia. Although no statistics are available, local intelligence suggests that it is big and growing rapidly. According to critical intelligence, Mainland Chinese visit Cambodia for various reasons including leisure, business, and even acquisition of a Cambodian passport for eventual migration to Europe.

China and Vietnam have agreed to set their dispute over the Spratly and Paracel islands aside and concentrate on the development of trade (Becker, 2001). RGC interpret this as a positive signal to the regional peace and stability, and indirectly contributed to the development of intra-regional tourism that Cambodia can benefit from it. Some respondents, however, have controversial opinions¹³⁹ that the improvement in the relationship between China and Vietnam could be a potential threat to the development of Cambodia as more Chinese resources and investments can be expected to be directed towards Vietnam. For example, during Vietnam's Communist Party chief, Nong Duc Manh's visit to Beijing, China signed a deal to lend Vietnam US\$ 40.5 million with an additional grant of US\$3.6 million. At the ASEAN meeting in Brunei in November, China granted the most-favoured nation trading status to Vietnam.

Cambodia's relations with Vietnam, as suggested by Australian Foreign Affairs and Trade (2001), are complicated by historical events, disputes on border, and ethnic conflicts. The recent Montagnards incidents and the illegal Vietnamese residents' issues further intensified the situation. RGC has established a framework for managing the relationship with Vietnam. With the interventions of China, ASEAN and other parties, the tension is expected to ease gradually.

Another important member of the Mekong family is Thailand. Although Thai and Khmer have been in a hostile opposition historically, the current relationship between the two countries is harmonious. Thai Prime Minister Thaksin's visit to Phnom Penh on 18-19 June 2001 further enhanced the cooperative relationship. For example, the Thai government has been actively assisting the Cambodian government to tackle the problems of smuggling artefacts¹⁴⁰. Although the problem of Cambodian refugees in Thailand, disputes concerning borders and waters still linger on, the current situation is stabilizing and the future seems optimistic.

According to Nguyen (1999:223), the United States is keen to explore the Mekong region. As in 1995, the total US Asian trade registered US\$100 billion. The private sector invested more than US\$ 60 billion with a return of approximate US\$6 billion. The policies of the US Government, nonetheless, are sometimes contradictory (Nguyen, 1999:223). This has discouraged the flow of American capital investment into the country.

Other than bilateral assistance programmes, there are multinational programmes, such as the Consultative Group for Cambodia¹⁴¹. This group intended to resolve Cambodia's administrative problems and to make a pledge of assistance measures for Cambodia's middle- and long- term economic development.

Foreign governmental agents' involvement in economic and tourism development varies in terms of nature and extensiveness. Forms of participation include direct participation, debts, grants and technical assistance. The common mission is to reactivate economic and social development in Cambodia.

The most critical and contradictory project type in the Mekong region is the dam/hydroelectricity projects. On the one hand, cheap hydroelectricity is critical to those poor LDCs, especially in the process of modernization and development. On the other hand, these projects have severe environmental and social impacts. In response to various pressures, some foreign financing groups have pulled out of their projects. For example, the Swedish International Development Agency (SIDA) has backed out in financing dam projects in the region owing to their concerns about the possible environmental impacts (Nguyen, 1999:224). Mahathir Mohammed, Malaysia Prime Minister, once agitated in his speech at the UN that a poor countries' rights to cheap hydroelectricity was depreciated by all manner of campaigns mounting against related projects (Nguyen, 1999:225).

The anti-dam movement has two important implications to Cambodia. First, it could save fish spawning in the rivers and lakes. In other words, the halting of dam building safeguarded the fishery industry and the livelihood of many local people. Second, the lack of a cheap and abundant source of power supply makes industrialization in LDCs difficult. This results in Cambodia having to rely on other forms of trade to reform its economy, which means more reliant on tourism.

The reality is that dams are still being built in the upper stream countries. The pullout of western institutions opens up opportunities for Chinese companies to come in rather than the halting of the projects.

In conclusion, international intervention has had serious impacts on the tourism and society development of Cambodia. Some of them are contributory while others can be destructive, such as the dam projects and prawn farming. It is not a matter of whether foreign intervention is good or evil, but the manner in which projects are being planned and implemented.

Despite the fact that the “foreign” component has been described as a source of finance and intervention, they also presented market potential to Cambodia. The normalization of relationships with neighbouring nations means the opening up of a highly lucrative potential market. Intra-regional tourists could be the most important segment to Cambodia. According to Kotler et al (2002), Asia currently accounts for 60% of the global population and 25% of the world’s exports and global GDP. East Asia alone accounted for 40% of the world’s foreign exchange reserves. Almost half of the population in Asia are aged below 25. Asia, therefore, presents a huge potential market to Cambodia. The difference in terms of economic and social sophistication, however, has marginalized the LDCs in the process of integration.

Transnational Companies (TNCs) and Foreign Direct Investment (FDI)

Foreign investment has an important function in the development of Cambodian tourism. Although there is no official report on overseas investment in Cambodia, it is obvious that indigenous capital is indigent and development has to rely on FDI. All luxury hotels are owned or operated by TNCs. For example, the two most expensive hotels in Siem Reap are owned and operated by Raffles (Singaporean) and Novotel (French). The atypical high penetration of FDI in this politically volatile country can be explained by the perceived potential of tourism to Cambodia and the paucity of local capital.

The heavy reliance on foreign investment, however, has numerous implications. First, the economic leakage is serious. Until Cambodia builds up local capacity,

part of the economic benefits of the tourism will leak out of the domestic economy. From a social dimension, the relative luxurious way of living and the facilities for the tourists is apparent to the local indigenous mass public. The difference between the host and guest standards enhances the sense of isolation and develops into an inimical mentality. “The gap between the two grows ever wider. The tourist gets little authenticity for their money, and the local people get little of the tourist’s money. It is an exploitative situation in which only the large-scale investors stand to gain any substantial profit” (Rajotte, 1987:89). Although it has been argued that a little is still better than nothing, a more equitable way of income/opportunity distribution mechanism is critical for the long-term development of both tourism and the society. This contrastive position can be interpreted as material deprivation (Harrison, 2000), social discrimination, economic colonialism and favouritism. Negative resentment can eventually turn into actions, violence and civil turmoil.

Second, very little room was left for domestic entrepreneurs to manoeuvre for a position. The economy of scale, the bargaining power and the expertise of foreign projects out-performed the domestic investment projects.

Internal political environment

“While Cambodia's past record gives limited scope for optimism, the country's desperate situation and the long-suffering support of aid donors and ASEAN neighbours may yet bring about a modicum of progress. The main issues still in doubt are the ability of the coalition to pull together in the same direction, and the creation of an atmosphere of internal stability, peace and security.”^{142,,}

To Cambodia, sustainability equals to political stability (Gray, 2000). “Whether tourism in Kampuchea will be expended in the future is directly linked with its political development. If some kind of settlement in the conflict in Kampuchea can be found, rapid changes will take place” (Krell 1990)¹⁴³. Many key informants including Yamakawa (1999), Xu (2000) and Varma (2000) share the same view. The political environment of Cambodia, however, is still brittle (Anon, 1999a). It has consolidated much tension both internally and externally. Internally, the political situation after the election is still precarious (Xu, 2000). The competition between the two prime ministers and their parties, the political affiliation of some ministries and military forces led to tension escalating to its peak

when a Coup d'état took place in July 5-6 1997. The power struggle finally rested with the formation of the coalition government in 1998, which signified a share of power and an agreement between Prime Minister Hun Sen and Prince Ranaridh. This rectified, to a certain degree, the damages of the bloody coup¹⁴⁴. Although the overall political outlook is stable, there are still concerns about the sustainability of the political stability (Athukorala et al, 2000:26; Xu, 2001; Jamieson, 2001). The Australian Department of Foreign Affairs and Trade (2000) has warned that:

“Although Cambodia has enjoyed a period of relative political stability since the events of 1997-98, there are concerns in opposition circles that the political climate could deteriorate particularly as the commune elections, scheduled for February 2002 draw closer. In general, the Cambodian political scene remains fluid and sudden shifts within parties or between coalitions partners, resulting in political turmoil, cannot be discounted. The anti-government attack on 24 November 2000 in Phnom Penh which resulted in the death of 4 people reflects the fact that there are small groups who remain opposed to the government.”

ADB, as revealed in its strategic paper, is satisfied with the political stability under the leadership of Hun Sen¹⁴⁵. The main opposing factions, Funcinpec led by H.R.H. Prince Norodom Ranaridh and SRP by Sam Rainsy, have agreed to cooperate with the government. Although fragile, peace has finally being declared, multilaterally, by various parties. The local public and investors are sceptically optimistic about the development of the domestic political environment¹⁴⁶.

War

“War went on the longest and the cruellest in Cambodia” (Nguyen, 1999:213).

War, civil turmoil and armed confrontations have lasted for more than 20 years in Cambodia. War has been identified as a relevant factor to the development of tourism in Cambodia. Besides the contribution of war heritages that could be developed as tourist attractions, there are various impacts of war. A Chinese preacher on a mission to Cambodia, in a private conversation, commented that war has twisted not just the fate but also the faith of the people. He argued that the degradation of the soul of the people is even more important than poverty as a cause

of the high crime rate.

Another war impact is the weapons and landmines left behind. By a rough estimation, there are more than 10 million mines left in Cambodia after the war. The Cambodian Mine Action Centre (a governmental entity with technical advice provided through a UNDP project) has been coordinating all clearance activities. The Centre's 1,556 staff has continued to survey, mark and clear minefields, and teaches mine awareness. As revealed in the interview with the general¹⁴⁷ in charge of mine clearance, mines in Siem Reap have been cleared out but there are still approximately 6 million mines waiting to be cleaned. Reported in The Global Briefing¹⁴⁸ on 18th January 2002, Minister of Interior Sar Kheng announced that the government had destroyed its last stockpile of landmines. According to the official record, one in every two hundred and fifty Cambodians, or 40,000 people, has lost a limb because of landmines. According to the Cambodian Mine Action Centre, about 762 were killed or injured by landmines in 2001, which is a significant decrease from what was 2,046 in 1998. More recently, however, the press revealed that reports on the progress of mine clearing have been fraudulent. The threat of mines are still haunting the country and driving away tourists.

Another war by-product is the child soldier. Many donor countries and international organizations see the urgency of rehabilitation for these children. The Ministry of Foreign Affairs of Japan in its working report revealed major challenges for the re-habitation programmes. First, information sources are neither sufficient nor up-to-date. Second, many parts of the country is still not accessible. Third, the high turnover rate of international NGO personnel caused delays in the reintegration process. Fourth, the weak economy, insecurity and frequent displacements in the former conflict zones have eroded the capacity of many families to take care of their children or to accept foster children. Former soldiers, including child soldiers, have to find their new way of living. While the ex-soldier remains a social problem yet to be examined, action is urgently needed.

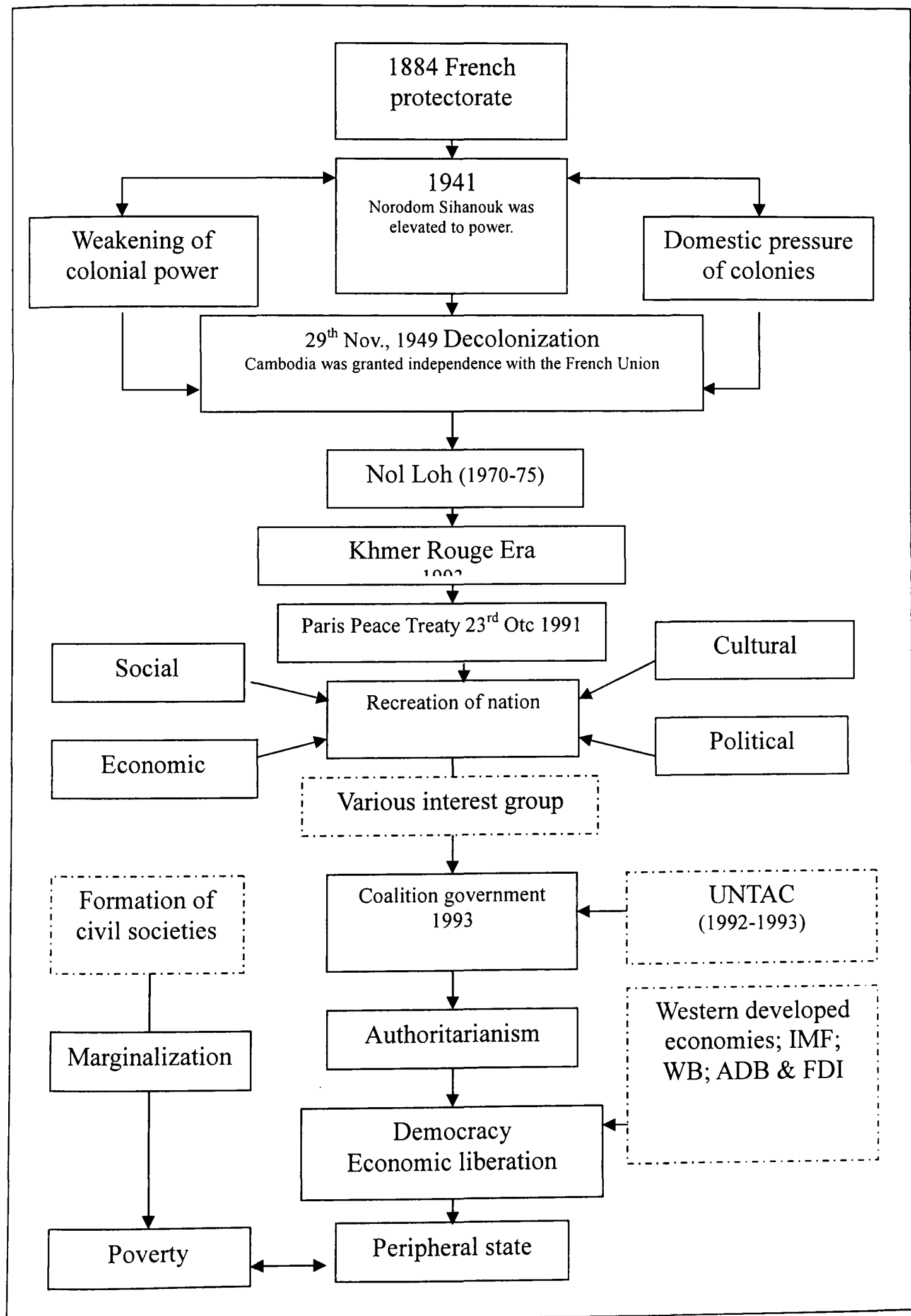
To further complicate the situation is the refugee crisis of the Montagnards, who are not a product of the Cambodian civil war but rather a spin-off incident from neighbouring Vietnam. The Montagnards are an aboriginal tribe who lived in

Vietnam's central highlands. They have been fighting against the communist during the Vietnam War. As a result of recent government crackdowns on ethnic minorities, many fled into Cambodia to seek US asylum. There are about one thousand Montagnards in Cambodia and many more are expected to escape Vietnam. Cambodia is in an embarrassing situation, which Meixner¹⁴⁹ (2002) described as the football pitch with the Vietnamese and US players. The border has been closed in order to prevent refugees from entering the country. Hun Sen on 1st April 2002 announced that Cambodia would resettle these refugees under the Cambodian protection. This initiative has been highly regarded and appreciated by the UN and US. These, however, also implied an additional burden on the already difficult government accounts.

System of Government

The signing of the Paris Peace Accord in October 1991 marked the end of the prolonged civil war and paved the way towards a democratic society. The country became a constitutional monarchy with His Majesty Preah Bat Samdech Preah Norodom Sihanouk as King and spiritual leader of the nation. Despite various obstacles and events, the national election in 1998 was implemented as scheduled. Hun Sen was elected the Prime Minister and Prince Norodom Ranaridh appointed the President of the National Assembly. There are a total of 24 ministries under the new coalition government. Chea Sim is the Chairman of the Senate and Hor Nam Hong is the Minister of Foreign Affairs and International Cooperation. Keat Chon is the Minister of Economy and Finance, and Senior Minister in charge of rehabilitation and development. Veng Sereyvuth is the Minister of Tourism.

Figure 5.2: An Extended Model of Political Development in Cambodia



The King has concern over his health and the potential consequences this might have on the political arena in Cambodia¹⁵⁰. Although the king, under the new constitution, is only a symbolic figurehead, his health and presence are still being regarded as a critical factor for ensuring peace. The Royal enterprise gained control over a significant portion of the political and economic power of the country. Unified under the King as the figurehead, has increased its bargaining power with the CCP. The decease of the King might re-activate struggles for power.

The constitution of the country governs the life in the country by one hundred and thirty-nine articles under fourteen chapters. Fernando (1998: vi) argued that it simply does not work.

“The working of the Constitution of Cambodia, adopted in September 1993, has been virtually made impossible due to contradictions arising from the legal system. Sometimes it is argued that political change must precede any change in the legal system. However, it can be argued with equal plausibility that political change in Cambodia is at a dead end due to the lack of a legal mechanism to effect such change.”

Besides the basic problems with the Constitution, people and logistics present another operational problem. Various respondents have contended that the Cambodians have not yet learnt to respect the Constitution as a supreme law binding upon them and all political and public institutions. Lawyers and law enforcement agents also need to familiarize themselves with the provisions of the Constitution and how to make use of them to enforce the rule of law and democracy. Sam Rainsy remarked that “there is no justice in Cambodia then, and there is none today” (Office of International Information Programmes, 2002¹⁵¹).

As Fernando (1998) argued, neither a quick-fix approach to the political and legal system nor returning to the pre-Khmer Rouge, French – Sihanouk mode is feasible. The process of breaking the anarchy has produced “a peculiar form of authoritarianism.” Articles in the constitution describe the political system as a “pluralist liberal democracy” and thus all powers belong to the people and define that they can exercise their power through the National Assembly. The National Assembly, however, is only a rubber stamp (Fernando 1998:8). Very few MPs will dare to raise an issue with the government. The powerlessness of the people has

created a certain level of grievance among civilians especially when they have to suffer poverty and feel being marginalized.

Tourists and investors are less concerned with the mode or axiom of the system. What tourists are concerned with is the internal stability of the country, which, in turn, has a strong impact on their personal safety. Investors, on the other hand, are also concerned with who will be the authority, which policies will be implemented and for how long the authority can stay on top of the system. There is no clear answer to these questions. Hun Sen, as the Prime Minister, has proven his ability to keep all the factions in order and managed to retain peace for the last few years (since 1998). The government, however, seems to be feeble in solving the serious poverty, corruption and other social issues, which could easily trigger turmoil.

In terms of civil and political liberties, ESI (2002) by incorporating various sources to assess the country's protection for freedom of expression, rights to organize, rule of law, economic rights, and multiparty elections, gave Cambodia a score of 6.0 (index ranging from 1, highest level of liberties, to 7, the lowest level). This indicated that the current performance of the government demands improvements. The next section will discuss public administration.

Public Administration

The public administration system in Cambodia is chaotic and ineffective. As contended by Arfanis (1999), there is little reason for the civil servant to be effective. The "patron-client" relationship was found in almost every public administration system. The Cambodian community has little, if any, respect for written law. "Written law in Cambodia has little meaning to the individual or to the state. It does not ensure the people of their rights, nor does it make them accountable for their actions. It is rarely used as evidence in a Cambodian court of law. The very notion of rule of law largely escapes a people who have generalized the patron-client relationship to such an extent as to create a system of which nepotism, favouritism and misappropriation of public funds are the principle characteristics" (Arfanis, 1999). Some of the laws were promulgated only as a precondition for foreign aid.

The ineffectiveness of the public administration system can be rationalized by

various causes. Foremost is the compensation mechanism. Most civil servants receive approximately US\$20 a month, which is not adequate to sustain a living. Moonlighting is thus common. Some might even engage in illegal transactions. The de-skilling and de-educating brought by Pol Pot have devastating impacts on the current government system. The demand for educated human resources and the remuneration differentials have driven qualified personnel from the public to the private sector. As a result, the administration system is vulnerable and ineffective.

Tourism as part of the public administration is a new discipline to the government. Although it has been pinpointed as the development agent, few officials are equipped with adequate knowledge and skill. MoT is subject to human resources constraint and collaborating with other ministries was hindered by departmentalism.

Another public policy issue, which affects the development of tourism, is related to the ownership and administration of land. The constitution re-established the right of private ownership and propelled a free market economy. The provision, however, also indicated that only individual(s) or legal entity (ies) with Khmer nationality is eligible to own real estate. The State government can claim ownership over private property solitarily. These measures, as revealed in the interviews, are demotivating foreign investment.

The judicial system of Cambodia consists of twenty-one tribunals, a Court of Appeals and a Supreme Court. The courts cover all cases and constitutionally maintain their independence, impartiality and protect the rights and freedoms of the people. To ensure its independence and impartiality, the judiciary must be isolated from political and other influence. Justice must be dispensed in disputes. According to Dato Param Kumaraswamy, the UN Special Rapporteur on the Independence of Judges and Lawyers (Fernando, 1998: iv), "it is essential that the judiciary not only remain independent, but also be perceived by all consumers of justice to be so." A fair, equitable, formal and transparent judicial system is not just a critical right for its people but also an essential criterion that affect FDI decisions. Kumaraswamy further commented that other constitutional institutions should be provided to ensure the development of an independent judicial system, which included "an independent legal profession, efficient and trustworthy

enforcement and prosecutorial agencies, a free press and respect for constructive non-governmental organization.” The current system, however, is still suffering from various deficiencies.

As Fernando¹⁵² (1998: vi) contended, the Cambodian legal system is socialistic in nature rather than a civil law system (the French system). Figure 5.3 illustrated some of the legal system’s major problems.

Various foreign investors revealed an interesting view about the rule-of-law. While respondents strongly agreed with the importance of a sound judicial system, some of them enjoy the “privileges” and “convenience” that they can get through a corrupted system. The strong sense of insecurity, however, has prevented them from engaging in heavy capital investments.

Figure 5.3: Issues Related to the Legal System in Cambodia

<ul style="list-style-type: none"> • Not enough laws; • Criminal law and civil law mixed-up; • Problems relating to the independence of judiciary; • Circulars of Ministry of Justice; • The role of the lawyer is not clear; • The education of judges; • The discussion for the judgment with the prosecutor; • Non prosecution of large number of complaints relating to criminal offences; • Economic factors of corruption; • Disadvantages of the poor; • State interference in political cases; • Lack of security for judges and No clear separation of powers; • Impossibility of prosecuting public officials; • Payment to family not to pursue complaints; 	<ul style="list-style-type: none"> • The adverse effects of admission of confessions; • Criminal punishment for civil matters; • No civil law and business law; • No supreme council for magistracy; • Problems relating to legal procedures; • No law of evidence and clear law relating to trial procedures; • No proper conception of criminal investigation and no investigative procedures; • Defects relating to appeals – appeals related procedures; • No functions of the supreme court; • The manner in which judgments are written; • Denial of presumption of innocence in practice; • No proper guidelines in sentencing; • Lack of proper checks and balances in practice; and • No clear idea on burden of proof.
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Source: Fernando (1998:3)

There is no tourism law in Cambodia. Tourism activities and investments were

governed by the Constitution and commercial laws.

Rehabilitation and Development under NPRD

Post-war Cambodia is torn and disrupted socially, economically and politically. The reconstruction embraced a market economy orientation, a liberal and democratic axiom. The context of the country suggested the necessity of strong governance. The National Programme to Reform the Administration (NPRA)¹⁵³, which outlined the objectives and operational modalities, was endorsed in February 1995 (see Figure 5.4). The prevailing shortage of finance and the low morale of the civil servants were major obstacles. Over the last seven years, the reform is progressing slowly and the system is still suffering from the lack of effectiveness and efficiency.

Figure 5.4: The NPRA Outlines

The National Programme for Public Administration Reform is aimed to:

- Strengthen government institutions' capability and to undertake continuous public administration reform;
- Improve the absorptive capacity of the ministries and agencies;
- Strengthen the rule of law;
- Strengthen the capacities of public servants, administrative management, personnel management, budgeting, and individual and organizational performance management through training in modern techniques,
- Strengthen the provincial administrations, and
- Redefine, manage and coordinate the public administration reform the institutional capability.

Source: http://www.ocm.gov.kh/c_org4.htm

"After the genocidal regime and almost two decades of warfare, Cambodia urgently needs to rehabilitate and develop all sectors of its economy and society. As every sector and sphere is as important as the others and as they are interlinked in a complex way, there is a need to develop a comprehensive strategy for economic and social development to assure self-sustainability, coherence, complementarity and synergy among them. To ensure the development of the country and an

improvement in the well-being of the people, the Royal Government has committed itself to a long-term undertaking, an undertaking that will fundamentally change our ways and require the mobilization of all the nation's resources.” (The Royal Kingdom of Cambodia¹⁵⁴)

The National Programme to Rehabilitate and Develop Cambodia (NPRD)¹⁵⁵ indicated the development of the country is geared towards the improvement of society's well-being. Poverty is an economic issue, a social problem and a political threat to Cambodia. Poverty, therefore, will be addressed in various sections of the thesis as a contextual character, a barrier to development and a problem to be mitigated. The purpose of discussing poverty in this section is because of its importance to the political stability of the country. There have been political and policy critics alarmed that the current stability of Cambodia very much depends on Hung Sen's ability to promote economic growth and alleviate poverty. Various evidences from site visits and interviews, however, indicate that civilian suffering in the process of development is deepening and the risk of turmoil escalating.

In conclusion, intensive political tensions and the perceived risk associated with Cambodia is typical of LDCs and justify the necessity of a LDC tourism systems model with emphasis on its political context. In the next section, the focus will shift to the economic environment.

Economic Environment

“The Cambodian economy is still very marred by decades of war, revolution, and destruction.... [However,] Cambodia's economy has the potential to finally “take-off” Ear (1995).

From war to peace, Cambodia started a new phase of development from a closed economy to international integration. It is inevitably incorporated into and influenced by the regional and international economic system. Restoration of peace and rapid growth in East Asia fostered a hope of GMS's prosperity. With the exception of Thailand, all GMS countries are marked by its backwardness, extremely low per capita GDP, mostly planned economy, lack of local capital and low productivity owing to the low level of skills and the poor education system (Athukorala et al, 2000:2). According to Lewis' labour surplus model, the GMS

economy could capitalize its abundant supply of cheap low skill surplus labour for development (Athukorala et al, 2000:3). However, it implies the reliance on foreign markets. Hope was pinned on Thailand, the only economy within GMS that has reached the stage of labour market transition¹⁵⁶, and more remote markets including Singapore, China, Taiwan, Japan and Korea. The financial crisis in 1997 and the subsequent melting down of economies in the region, however, dampened the development. The 9/11-incident further dragged the development down.

Economic Reform

“The challenge of development includes both the elimination of persistent and endemic deprivation, and the prevention of sudden and severe destitution” (Sen, 1999:25).

Political turmoil and civil war besiege Cambodia's economic development. Immediately after the fall of Khmer Rouge, the Vietnamese-supported KPRP government installed a centrally control-planned economic institution. Following in the footsteps of Vietnam, the KPRP government then initiated a market-led reform which was hastened in 1989 after the withdrawal of assistance from the former Soviet Union. Results have been lacklustre owing to the political instability and the continuous fighting between the government and the Khmer Rouge (Athukorala et al, 2000:25-26). The Paris Peace Accord, UNTAC, the death of Pol Pot, and the formation of the coalition government fostered new ventures. The new government under the influence of the UNTAC has had its success in revamping and stabilizing the war-ravaged economy. The inflation rate was controlled at 7.8% in 1995 from the previous level of 140% during 1990-92 (Athukorala et al, 2000: 26). The economy enjoyed a 5.5% annual growth throughout the period from 1993 to 1996. The discrepancy between official and black market exchange rate was reduced to less than 2%. This economic growth and development has not been sustained.

Ineffective system was the major drawback. Economic, trade, financial and political reforms, being identified as solutions, were developed under the influence of international agencies. For example, the programme for economic and monetary policy, the Policy Framework Paper and the Enhanced Structural Adjustment Facility (ESAF) for 1994-96, were established by RGC in cooperation with the IMF

and WB for developing the management capacity of finances and to improve the efficiency of the public administration. All of the NPRD, the money and banking reform, the exchange reform and trade reforms are under the influence, support, and guidance of various external forces. Various respondents argued that there are technical gaps between the plans and their implementation.

The Cambodian economy is still backward, agrarian, lethargic and extremely vulnerable to external impacts. After the intervention of UNTAC in 1991, the economy was sustained by peasant rice production. Throughout the years, its productivity has remained low; costs remained high and extremely vulnerable to external threats. For example, the flood in 2000 caused approximately US\$150 million damage (5% of GDP) and lost more than 400,000hectares of rice cultivation (ADB¹⁵⁷). The foreign trade sector was chronically distorted (UNIRSD, 1994).

Cambodia, with GNP less that US\$200 per capita, ranked 115 among 122 countries (Ear 1995). Cambodia ranked 121 among 162 countries with a HDI value of 0.541 and an average life expectancy of 56.4 years in 1999. Cambodia ranked 78 in the Human Poverty Index (HPI-1) among 90 countries included in the evaluation.

The country enjoyed a 5 per cent real GDP growth in 1999 owing to the good harvest, the continuous growth of garment exports and a recovery in tourism (ADB, 2001¹⁵⁸). The 33%¹⁵⁹ increment in tourist arrivals, however, has had only a moderate impact on the service sub-sector’s total. According to ADB (2001), the annual inflation rate for 1999 fell back to 4.0 per cent, which is a great improvement from the 14.8 per cent of the year prior. Riel, the local currency also turned around its weak position and reported a 0.1% marginal appreciation. Depreciation was 21.4% and 8.5 % for 1997 and 1998 respectively.

Table 5.3: Contribution of Economic Sectors to GDP in 1990 and 1999

	1990	1999
Gross domestic product (millions of dollars)	1,115	3,117
Agriculture	56	51
Industry	11	15
Manufacturing	5	6

Services	33	35
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The 21.8 per cent growth in exports is mainly the result of the increase in garment exports plus the increase in timber, fish products and rubber exports. The trade deficit, however, further widened, from 6.8% to 7.3% of GDP, by the strong increase in retained imports (20.4 %). The current account deficit also increased to 8.4% of GDP in 1999 from what was 8.0% in 1998. The increment of national reserve, from \$17 million in 1998 to \$28 million in 1999, was the result of official loans disbursements and FDI.

Table 5.4: Trade and current accounts (millions of dollars)

	Goods & services		Net factor Income	Net transfer	Bal. of current a/c
	Exports	Imports			
	%	%	%	%	%
1990	314	507	-15	120	-93
1995	969 35	1375 50	-5.7 -2.1	227 10.0	-186 -7
1999	815	1,286	-12	297	-224

Source: World Bank, World Development Indicators 1997, 2000

There is a shortage of imports owing to the lack of financing and negligible exports¹⁶⁰. FitzGerald (UNRISD, 1994) described the Cambodian economy as fragile and without proper commercial or financial institutions. “Unless substantial aid programmes were to be established by OECD donors, the outlookwas rather bleak” (UNIRSD, 1994). Taxation income is low and only accounted for about 3% of GDP. The national budget relied heavily on the profit from state owned enterprises that were financed by the Council for Mutual Economic Assistance (CMEA) aid programme. With the withdrawal of CMEA aids, RGC relied on monetary emission to finance the serious fiscal deficit, which resulted in a high inflation rate and the depreciation of riel. The depreciation of riel further degraded the living standard of the local public, and, in a way, promoted corruption and crime. This also caused the dollarization of the domestic economy¹⁶¹. The government’s effort, in all these years, to dedollarize the nation’s economy has been in vain.

Table 5.5: Cambodian Economic Indicators

	1990-951	1996	1997	1998	2000	2001
GDP growth	5.3	7.0	2.0	0.0	5.0	4.3
Gross domestic investment/GDP	21.4	25.9	19.0	15.0	13.5	17.9
Gross national savings/GDP	-5.0	10.6	10.6	5.9	Na	Na
Inflation ² (consumer price)	86.3	9.0	9.1	12.0	4.0	-0.8
Fiscal deficit/GDP ³	-14.8	-8.4	-4.2	-3.9	-9.4 ⁶	-9.4 ⁶
Merchandise export growth ⁴	61.9	22.1	63.1	12.8	36.5	14.6
Merchandise import growth ⁴	41.1	13.6	2.1	3.4	Na	4.1
Merchandise export/GDP	11.6	20.3	23.3	20.2	50.4	53.2
Current account balance	-7.2	-15.3	-8.4	-9.1	-9.2	-8.3
Debt service ratio ⁵	7.2	5.1	2.3	2.6	Na	Na
Change in official exchange rate of Riel against US\$	-31.4	-60.4	-10.9	-34.5	-0.1	-1.0

Notes: ¹ Period average; ² end of period; ³ excluding grants; ⁴ in current US\$ terms.

⁵ Debt repayments and interest payments as % of total export earnings; ⁶ Current account balance/GDP

Source: *Athukorala et al (2000:27) and ADB (2000)*

The Cambodian economy has three main characteristics. They included the prevailing poverty, the reliance on external aid, and the strong intervention of politics.

Poverty

Poverty is the most pressing issue for Cambodia. In 1999, GNP and per capita GNP were 3.0 billion US dollars and US\$ 260 respectively, which are low when compared to that of the E. Asia and Pacific average (see Table 5.6 and 5.7).

Table 5.6: Economic Characteristics of Cambodia

GDP (2000)	Riel 12,406.5 at current market prices.
Major Industries	Textiles and Garments, Beverages, Food Processing, Wood Processing
Major Exports	Garments, Textile Product Sawn, Wood Furniture and Rubber

Major Imports	Transport equipment and machinery, manufactured goods, food chemicals.
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Source: ASEAN, 2001

Poverty has a direct impact on the quality of life in Cambodia. According to the World Bank, the under-5 mortality rate was 330 and 143 per thousand infants in 1980 and 1998 respectively. The adult illiteracy rate in 1998 was 43% and 80% for males and females respectively. Although both measurements recorded a significant improvement, the situation is relatively unfavourable to the norm of the developed economies and has affected future development.

Table 5.7: Comparison of Selected Asian Economies, 1999

	Cambodia	Hong Kong, China	Thailand	Lao PDR	E. Asia & Pacific	South Asia
Population (millions, 1999)	12	7	62	5	1,837	1,329
GNP (Billion US\$, 1999)	3.0	161.7	121	1.4	1,832.6	581.1
GNP per capita (US\$, 1999)	260	23,520	1,960	280	1,000	440
GNP measured at PPP						
Billion \$ 1999	15.1	144.0	345.4	8.8	6,423.8	2,695.0
Per capita \$ 1999	1,286	20,939	5,599	1,726	3,500	2,030
Population below the poverty line, 1997 (%)	Rural 40.1 Urban 21.1 National 36.1					

Sources: World Bank, WDR 2000/2001

Marginalization and concentration of wealth is serious, with 33.8 per cent and 47.6 per cent of the national income in the hands of the highest 10 and 20 per cent income group. By contrast, the lowest 20% of the population has only 6.9 per cent of the income (World Bank, 1999). Over 36 per cent of the population lives below the poverty line.

Political Interference

The faltering regional recovery from the 1997 financial crisis has been stifled by various political incidents. For example, the tension between Cambodia and the former Soviet Union led to the cessation of aid, especially oil which was an important revenue generator, and thus the high inflation during the transition period.

As Cambodia integrated into international trade bodies, extensive foreign interventions were expected. These interventions, however, were not all that beneficial to the Cambodian economy. Some even induced new problems.

Politics was a major concern in development. Although the internal political tension eased after the fall of Pol Pot, the conflicts of interest and the confrontation between various parties still posed a potential threat to the already fragile socio-political arena. Officials, according to local intelligence, have to take sides and be bidden by the interest and direction of the parties to which they belong.

The high concentration of wealth, resources and power among political elites entangled the economic and political sector in the process of development. Hence, development and liberalization might trigger political struggles.

Intervention, Aid and Assistance

Excessive reliance on external aid is another characteristic of the Cambodian economy. Khieu Samphan¹⁶² argued that Cambodia's problems of industrialization were the direct consequence of exploitation by the "imperialist" industrialized world (Ear 1995). Ear also quoted Amion Samir's (1957) Marxism resolution that only autarky from the world system would make industrialization possible in LDCs.

It is, however, almost impossible for Cambodia to be self-subsistent within its current conditions. Its national accounts are in serious deficit and the taxation reform has been futile (Yamakawa, 1999). Cambodia's economy is totally reliant on international aid and assistance (Jamieson, 2001¹⁶³). So far, foreign sources can be sub-categorized into five main types (see table 5.12).

Table 5.8: Major International Intervention, Aid and Assistance to Cambodia

Sources	Examples of key player in Cambodia	Nature	Conditions
Government	Japan, China, US and Australia	Technical assistance, financial aids and direct-participating projects.	Unconditional
International institutions / organization	UN, UNDP, UNESCO, WTO, ADB, WB, IMF	Technical assistance, financial aids and direct-participate projects.	Conditional ~ partially conditional
NGOs	World Vision, Oxfam	Technical assistance and	Most unconditional
Private sector (FDI)	Investment from Hong Kong, Taiwan, Thailand, Malaysia and China	FDI Training and education programme, development of infrastructure	NA
Illegal operations	NA	Heritage looting and smuggling, human trafficking, drugs trade, and illegal immigration.	NA

A significant portion of aid and assistance came from foreign governments with Japan being the prime source. “Japan, naturally, is present through multilateral banks, the most important one in the region being ADB, in which its share, while equal to that of the United States, is less involved in political motivations. ... Japan also took the lead ... to discuss the issues of the Mekong region’s infrastructure and job creation” (Nguyen, 1999: 220). Although the Japanese intervention has been criticized for its intensions¹⁶⁴, it remains prominent and significant in the last few decades and has been contributing to the development and redevelopment of various economies in the region. About 98% of the Japanese aid went to Asia in the 1970s and 60% in the 1990s (Nguyen, 1999:220). Japanese’s intervention covers a wide

array of activities, which include direct participation such as the Japanese government's team for Safe guarding Angkor Projects (JSAP), financial aid and assistance to government and projects such as the financing the UNESCO training workshops and programmes, such as the ZEMP (Wager, 1995), and Japanese-led / coordinated projects, such as the AEM-MITI (Nguyen, 1999:220), which is a joint effort of the Japanese Ministry of Trade and Industry and the Ministries of economy of ASEAN to assist socialist economies in their process to transform into market economies.

The second type of aid comes from international agents, such as the UN, IMF and ADB. They varied substantially in terms of scale and format (see Appendix J for more details).

The third type comes from the Third Sector such as World Vision and Oxfam. The nature of their involvement varies but when compared to international agencies, they tend to have more interaction with the local community and focus more on grass roots improvements. Some of these agencies worked closely with the Cambodian government. This, however, does not imply greater effectiveness and efficiency. Controversially, some ground agents revealed their grievances about the uncooperativeness, the low efficiency and corruption of government officials (Anon., 1999b).

The fourth type of intervention comes from the private sector in the form of FDI and donations. The last type of intervention involves illegal transactions. They are morally unacceptable but their influence has been immense.

International aid and assistance are important to Cambodian. However, they have embedded various problems and obstacles, especially those related to Cambodia's over-reliance on external aid and the failure with technology transfer¹⁶⁵. The economic benefits from international projects are consequently short-lived.

Economic Reform

Rectification is urgently needed. The economic reform throughout the 1980s and 1990s was to revitalize the local economy, to alleviate poverty, to balance the account and lessen reliance on foreign aid. Public finance and taxation reforms, which were largely driven and modelled by the World Bank and IMF, have been

problematic and inefficient. According to local respondents, tax is not their traditional culture and they have a hard time in accepting it, especially when they cannot expect much in return. Cambodia's economic reform strategies are focused on four major initiatives: privatisation of state-owned resources, structural transformation, market liberalization and international integration.

Privatization

Unlike other formal socialistic economies, Cambodia does not have many state enterprises for privatisation. Privatisation is in response to the abolition of private property ownership since 1975. The RGC inherited this situation in 1979 and kept real estate, natural resources and all substantial enterprises under the state's custody. In 1989 a broad reform was launched to give state enterprises greater autonomy but with a strict budget; to allow privatisation of state enterprises; and to encourage foreign and private investments. This was in response to the government's failures, which included a pricing system that discouraged productivity; misallocation of state investment and hindrance of private investment; ineffective domestic trade and distribution network; and limited engagement in international trade and investment (Athukorala et al 2000:3). Privatisation and private sector investments have grown "speculatively" in commerce, construction and tourism sectors.

Structural Transformation

After the restoration of peace, the country was signified as agrarian. Ear (1995) argued that it is more agrarian than it was before 1968. He contended that the Cambodian agriculture sector had gone through devolution. The long political conflicts caused damage to rural community and infrastructure, which included roads, storage, irrigation system and even natural resources¹⁶⁶. Even the agrarian sector was degraded to the basic Mosher environment¹⁶⁷ from what used to be the green revolution phase.

In the late 1990s, the main crops remained as rice and rubber. The plantation scale is small and the technology is backward. Under the threats of mines, the land under permanent crops is only 0.6 per cent of the total land area¹⁶⁸. Only 7.1% of cropland is irrigated. It is relatively little when compared to the 23.9% in Thailand and the 31.0% in Vietnam. Cambodia's agricultural productivity¹⁶⁹, in terms of

value added per agricultural worker in 1995 dollars, was \$408 for 1996-98. This rate is much lower than that of Thailand (\$932) and even Lao PDR (\$548). According to the World Bank, the number of tractors per thousand agricultural workers in 1997 is less than 1, which indicated a low-level of automation and implied low productivity. Although a substantial growth in terms of output has been recorded since 1989¹⁷⁰, the real growth of income among the peasant is very moderate (FitzGerald in UNIRSD, 1994). The main feature of the agrarian reform led by IMF is the transformation of rice crops into palm sugar plantations. The result has been disastrous. Due to the lack of investment, centralized marketing logistics and price competitiveness, and the uncommon dryness, this wrong direction has drawn peasants into further poverty and starvation. Many families are forced to send their children to work in factories or as sex workers in cities.

The deflation of agricultural products¹⁷¹, the competition of commercial crops from advanced exporting regions, the lack of access to modern seeds, fertilizers and machinery; the destruction of transportation networking, the relocation of population and the landlessness among peasants has further delimited the potential of the agrarian revolution as a development strategy. Very gradually, RGC is exploring the possibility of developing high-yield industrial products and services to reduce its over reliance on low-yield agricultural outputs.

Industrialization is seriously grappling with rural poverty, underdeveloped infrastructure and a paucity of financial and human capital but is still suffering from the various problems associated with 'labour surplus' (Athukorala et al 2000:7-8; Anon, 1998a). The influx of jobseekers from rural to urban areas is by and large mismatched with the demand of skilled calibre. Furthermore, the growth in the industrial sector was frail. The garment industry's demand was easily filled. The supply surplus did not just pull down the remuneration but produced high urban unemployment. The drain of manpower from rural farm villages has created social problems for the cities, further deteriorating the agricultural productivity and enhanced poverty.

Despite of RGC's eagerness to promote FDI, the garment industry's future was clouded with uncertainty. FDI has been declining owing to the US quotas on textile imports and the slow resumption of foreign aid activities. The investment

environment in Cambodia is not favourable (Falkus 1999). The large-scale labour movement, the inflating labour cost and the inferior quality of workers are inherited disadvantages (Anon., 1999). According to one of the FDI respondents, Cambodia has never been the preferred destination for their investment.

“If China can get into WTO and eventually lifted the quotas restriction to the US market, I definitely will move my operation back to China. I don’t mind doing it right now and so prepare for the future.”¹⁷²

The main motive for garment investment was the quota-free agreement with the United States. As the US is imposing quotas to Cambodian exports and with the expectation that PR China will benefit from becoming member of the World Trade Organization, investors are seriously considering moving their operations back to Mainland China.

Mr. Lee Yuk-man¹⁷³, the executive director of Tack Fat Group International¹⁷⁴, revealed in a news interview that although the average wage in Cambodia (US\$40) is much lower than that in China (US\$200), their future development plan will focus on developing their capacity in China owing to proximity to the market and the lifting of tariffs on exports to the US. This revealed the potential threats to the Cambodian industrial sector. Apparently, the low wages were not sufficient to promote or even retain FDI projects.

During the same time, tourist arrivals started to pick up. In the lack of other viable options and the promotion of international communities, tourism became the direction for economic development.

Liberalization

“Cambodia is now a full-fledged democratic society and it is operating a free market economic system.” (Royal Kingdom of Cambodia¹⁷⁵)

Although the dichotomy between central-planned and market-led capitalism is beyond this thesis, it has a direct impact on the destination. Economic growth served the purposes of environmental preservation, stability and national security. “Environmental sustainability is...not a phenomenon that will emerge on its own from the economic development process, but rather requires focused attention on the

part of governments, the private sector, communities and individual citizens.” (World Economic Forum, 2002:1). The government’s involvement is thus inevitable.

“Capitalism stands alone as the only feasible way rationally to organize a modern economy. At this moment in history, no responsible nation has a choice. As a result, with varying degrees of enthusiasm, Third World and former communist nations have balanced their budgets, cut subsidies, welcomed foreign investment and dropped their tariff barriers... The triumph of capitalism only in the West could be a recipe for economic and political disaster¹⁷⁶” (De Soto, 2000). For example, it has prevented any form of protection that is vital for the small local businesses.

Nevertheless, market has become the commanding height among LDCs. Transformation of economic structures and institutions are regarded milestones to prosperity. In the midst of globalization, under the influences of external interventions and as a process of integration, RGC has very little room but to embark on its transition from a commanded-oriented / planned economy to a market-oriented / capitalistic economy (Toshiyasu et al, 1998).

Economic Integration

The Greater Mekong Sub-region has been regarded as a potential area for economic integration because of its geographical proximity (Athukorala et al 2000:10). With the formation of the GMS and institutionalisation of members to the ASEAN in 1980s, RGC sees integration into regional and international economic entities as a resolution to poverty and a mean to development. In April 1999, Cambodia successfully joined ASEAN and started accelerating the pace in the preparation for the accession to the World Trade Organization (Toshiyasu et al, 1998). According to H.E. Keat Chhon, Senior Minister on Charge of Economic Rehabilitation and Development and Minister of Economy of Economy and Finance, international integration is a global trend and that the success and failure of these integrations are determined by the efforts of the private sector¹⁷⁷. There are three main reasons for Cambodia’s eagerness to become a member of these trade bodies. First, Cambodia’s trade relationship with its major trade exporting country, the United States of America, is subjected to the labour market conditions, which RGC perceived as inequitable and unfair. Entering into these trade bodies would imply

the quota and trade barriers to be lifted eventually (Falkus, 2000). Since mid-1990s, Cambodia has been liberalizing its trade and investment policy. Most of the quantitative restrictions, which were in place before 1993, were lifted. Most of the tariff was set below 20% with only a few exceptions that still are subject to a high tariff of 50%. FDI is subject to the same provision of those local investments with the exception of land ownership (Athukorala et al, 2000:27).

Second, these trade bodies are expected to help the poor members to catch up with their wealthier counterparts. As Toshiyasu et al (1998: 1) suggested, “The ultimate goal of economic integration is the reconstruction and development of Cambodia.” Therefore, more aid and assistance are expected in return for Cambodia’s initiative to open its domestic market.

Third, Cambodia, after the long civil war, has a relatively weak and poor image. By joining these organizations it can reassert its position in the international arena. It is, therefore, a psychological tactic to rectify its image barrier while re-establishing its link to the outside world.

The largest regional cooperation in the Mekong region is the ASEAN and the ASEAN Free Trade Area (AFTA). AFTA’s formation is in response to the regionalism in North American (North America Free Trade Area: NAFTA) and Europe (the European Community: EU). Currently, AFTA is a modest regional economic integration¹⁷⁸ but aimed at achieving a deeper integration¹⁷⁹ in the future, which envisages either a custom’s union or a common market. The implementation of the Common Effective Preferential Tariffs (CEPT) scheme¹⁸⁰ restructured the trade mechanism among the member states. This non-discriminatory agreement has a discriminatory provision to non-member nations. Cambodia, therefore, has to enter the system in order to survive.

ASEAN’s credibility and functionality, however, is “hobbled by disagreements and declining economic clout and increasingly overshadowed by giant neighbour China” (Marshall, 2001). Marshall argued that being united, stable, integrated and outward-looking are the missing values within ASEAN.

Thai Foreign Minister Surakiart Sathirathai insisted in his speech in Hanoi that ASEAN members would stand together and help the poor members to catch up with

their wealthier counterparts. “What we would like to achieve is to find a way that ASEAN can prove to the world we are capable of further integrating in the economic field.” The so-called richer nations, however, have their own problems and the feasibility of helping the poorer counterparts is yet to be testified. (Marshall 2001)

Furthermore, the implementation of the CEPT scheme implies the reduction and elimination of tariffs. It has serial impacts on both imports to and exports from Cambodia. It is also expected to have negative impacts on attracting foreign investment into the country (Toshiyasu et al, 1998).

Since the inauguration of a new Law on Investment in August 1994, FDI had increased significantly. The approved FDI in fixed capital increased more than \$4.5 billion (Athukorala et al, 2000:27) with tourism alone accounted for over 38%¹⁸¹ of which. In 1996, the major investment source countries included: Taiwan (33%), Malaysia (15%), United Kingdom (13%), Singapore (9%), China (6%), and Thailand (3%) (Menon, 1998 cited in Athukorala et al, 2000:28). The situation turned around when the financial crisis hit the region.

The economic development in Cambodia is unbalanced and shallow (Athukorala et al, 2000:28). The development throughout the early part of the transition period was triggered by the direct and indirect involvement of the UNTAC programmes and projects. The more critical agriculture (45% of GDP) and manufacturing (5%) sectors received very little attention and grew only marginally. Although the country is characterized by a labour surplus, not many projects and programmes were introduced to utilize this strength or to generate employment opportunities.

Another problem area is associated with the transfer of technology. Given the poor infrastructure, education and training system in the country, it was expected that international aid, assistance, and direct foreign investment projects could transfer technology and development to local personnel in the medium and long term. Given the particular interest of donors, the language barriers, and other problems on the site, progress has been less than desirable.

As witnessed by the researcher and revealed by various key informants, the

development initiatives triggered large-scale civilian migration from rural to urban areas, enhanced the loss of land and deepened poverty. The lack of local capital and skill limited the opportunities of the development to elites and foreign investors. This phenomenon, in fact, supports the dependence theory of development in that the creation of wealth and development of the developed economies rests on the exploitation of less developed backwards nations/communities. The success of Thailand, illustrates a chain of exploitation. Funnelled down the chain, the wealthier western developed economies take advantage of their less developed counterparts while the incidence of exploitation also exists among the LDCs. The current development is based on the inequitable distribution of wealth and opportunities.

Economic Policy of Cambodia

“The major challenge facing Cambodia today is the restoration and management of its natural resources” (Chea Chanta 1996¹⁸²).

Cambodia’s pressing goals include the need to balance the budget, “pay salaries on time, safeguard counterpart funds for development projects and conserve resources for certain urgent needs” (Chhon, 1997¹⁸³). The strong desire to reduce the budget deficit drives the government to adopt mechanisms that have damaging effects on the economy and the nation’s long-term development. Uncontrolled logging and overexploitation of other natural resources caused irrevocable damages to the environment, and the increase of the money supply has led to high inflation¹⁸⁴.

FitzGerald (UNRISD, 1994) suggested that the structural budget deficit is partly due to the heavy reliance on foreign aid and the lack of a crucial income generating industry. The restoration of fiscal discipline and the reform of the taxation system induced further cuts in government expenditure, which in turn led to drastic deterioration in public services, such as health and education. The decline of the real wages of the civil servants caused problems such as, absenteeism, moonlighting and corruption¹⁸⁵ (UNRISD, 1994). This situation prevailed throughout the study.

RGC’s economic policy and strategies have been ambiguous but are hampered due to the paucity of resources, finance and political strength. The situation has been improving gradually (ADB, 2001). RGC has made impressive progress in

reforming its public finance. Revenue collection has improved significantly after the implementation of the VAT. Public expenditures were directed towards the economic and social sectors from the military. The monetary policy, although being criticized as conservative, contributed to the control of inflation and the stabilization of the exchange rate (ADB, 2001). RGC, however, is still lacking in the technical abilities to supervise the banking industry or to attract investment.

In 1995, ADB developed an operational strategy for the reconstruction of the Cambodian economy. Its focus has been the reduction of poverty by:

- building capacity for governance and project management through an integrated programme of technical assistance and sector programme lendings;
- developing human resources;
- promoting economic growth as the principal means of creating employment and reducing poverty; and
- encouraging natural resources conservation and environmental protection.

The 2000 strategy draft refocused on facilitating the reduction of poverty through investments that:

- promote pro-poor growth in rural areas, where most of the poor are located;
- enhance human and social development to ensure equitable access to the benefits of economic growth; and
- enable private sector participation in the development of Cambodia (ADB, 2001¹⁸⁶).

Towards the turn of the century, RGC was determined to pinpoint tourism as its development agent. Although it is still in its infant stage, RGC was impressed and persuaded by the rapid increment of arrivals.

“Tourism in Cambodia is becoming increasingly important as a tool for economic development and poverty reduction. ... The challenge is to do this in a sustainable way with a strong emphasis on poverty reduction. ... Economic development that is not guided by sustainable principle and does not meet the poverty reduction goals of the society should be

avoided at costs.” (CNTDP, 2000:1).

Economic Prospects for Cambodia

“Sustain Human development is develop that not only generates economic growth but distributes its benefits equitably; that regenerates the environment rather than destroys it; that empowers people rather than marginalizes them. It gives priority to the poor enlarging their choices and opportunities and provides for their participation in decisions affecting them” (The Royal Government of Cambodia¹⁸⁷).

Rehabilitation and development require personal security, political stability and social cohesion¹⁸⁸. In Cambodia, security and stability can never materialize in the absence of development and betterment of living standards. The recent development process has been hampered by various incidents since the restoration of peace, such as the dissolution of the Council for Mutual Economic Assistance (CMEA) system, the armed coup in 1997, the Asian financial crisis in the same year, and lately the post-9/11 syndrome. These incidents led to a serious downturn in tourism and the regional economy. As a result, GDP grew by 5.4% in 2000, which marked a slow down from the 6.9% of 1999. RGC (1995)¹⁸⁹ has noticed that the economic growth in the country is both “uneven” and “unsustainable.”

The garment industry was once the star. It was negligible in Cambodia before 1994 and accounted for less than 1% of the total exports. The quota free term from the US and other EU markets catalysed the garment’s rapid development. In 2000, the garment industry accounted for 70% of the total exports and employed over 100 thousand workers, which represented 90% of the employed population. Falkus (2000) contended that it is a common pattern for LDCs to develop a garment industry before others owing to its reliance on cheap labour and much less on infrastructure and logistical backups, such as heavy-duty power supplies, complicated raw material supply chain, and a sophisticated physical distribution system than other industries.

The Cambodian garment industry has a few unique characteristics. First, it is overly dependent on a small number of markets. In 2001, almost 76% of its goods were exported to the US (US\$66 million) and 21% to the EU countries (US\$18

million)¹⁹⁰. Second, nearly all of the factories are located inside or very close to the capital, Phnom Penh. Third, most of the establishment is owned by foreign capital, especially the Chinese. Out of the 225 factories registered with the Manufacturers Association, the Chinese own 141. More than 90% of those categorized under Cambodian ownership are joint venture with Chinese investors. Fourth, most of the garment factories are small in scale.

The future, however, is clouded with uncertainty, viz., the recession in the United States, and competition from Mainland China. The United States, after enjoying a 10 year economic growth cycle, has entered into a recession. The 9/11-incident further pulled back the recovery of the US economy. According to the Bank of America, consumer spending in September 2001 was down by 1.8%. When adjusted for inflation, the real decrease recorded the greatest fall since 1987, with 2.8% for durables, 2.4% for non-durable and 0.4% for services.

At the same time, Cambodia has to face keen competition from Asia, especially from Mainland China. As captioned earlier, the growth of the Cambodian garment industry is very much a result of the quota discrimination. While Cambodian exports are now subject to quota restrictions, both the US and EU markets will have to lift their veils of protectionism against China, after PRC recovering its membership in World Trade Organization on 11th December 2001. Key informants from the garment industry revealed their intention of moving back to China. As projected by Bank of America Corporation¹⁹¹, the strong economic performance and large domestic market will draw FDI into China at the expense of other markets in the region. Given the backwardness, the lack of infrastructure, local capital and skilful labours, and a domestic market, Cambodia will be most seriously affected.

The poor economic situation in neighbouring countries further complicates the issue with detrimental impacts on Cambodia. First, demand from these countries was expected to shrink. Second, competition will be intensified. Third, investment, aid and assistance from within the region will diminish.

Forestry, agriculture and fishery, which accounted for 37.6% of GDP in 2000, have been seriously affected by unsustainable exploitation. Deforestation has been severe. In terms of agricultural and fishery, Cambodia can hardly compete with Thailand, China and Vietnam. The structural ineffectiveness and the low yield of

these activities make them less promising as core earners for development. In the 1990s, prawn farming has been introduced by international NGOs as a tactical economic activity for reducing rural poverty. This initiative, however, failed.

In addition, the country's agrarian economy is extremely vulnerable to disasters. The natural disaster in late 1994 caused a 2% drop in GDP growth. The flood in August 2000 caused 74 casualties and huge damage to the agricultural products.

In conclusion, Cambodia's economic prospect is full of uncertainty. The possible decline in the garment and the vulnerable agrarian industry makes tourism as the only reasonable alternative. The government has indicated the dilemma that the reforms, which are critical for the long-term development of the nation, rely very much on economic growth to be maintained. Without effectively reforming the system, the growth of the economy will be restricted.

Figure 5.5: Major Economic Barriers Affecting the Development of Tourism in Cambodia

- Lack of financial institutions
- Lack of domestic capital (land, labour and financing)
- Lack of effective public administration
- Lack of investment incentives
- Lack of social / basic infrastructure
- Lack of supply chain support
- Lack of market assess
- Lack of information

Socio-cultural Environment

War, political confrontation, post-war development, and international intervention led to the eruption of serial social problems. The rationale for the inclusion of the socio-cultural environment into the tourism framework of an LDC can be justified by the following. First, most LDCs have limited resources and its allocation is a zero-sum game, which affects the social domain. Tourism investments could be at the expense of other social welfare. Second, tourism has been widely regarded as an alternative solution to poverty and other social problems.

Therefore, rather than as an end to be accomplished, tourism is a means towards social development. Third, tourism development has to face and deal with various social obstacles, including poverty and social unrest. Fourth, socio-cultural assets have been widely adopted as touristic products. All these phenomena predetermined the permanent linkage between tourism and the host's socio-cultural environment.

In the forthcoming section, various social and cultural dimensions of Cambodia will be investigated to justify their presence in the model. The social-cultural problems and barriers to tourism development will be discussed in chapter 7.

Demographics

Cambodia's biggest comparative advantage is its cheap labour wages (Chhon and Moniroth, 1998:25). The first census was conducted in 1962. Since then, the population portfolio has undergone serious transformations and drastic changes.

Table 5.9: Population Size, Growth Rate in GMS Countries.

	Population (millions)					Population growth (%)			
	1975	1985	1995	1999	2015	1975-85	1985-95	1975-99	1999-2015
Cambodia	7.1	7.4	10.0	12.8	18.6	0.4	3.1	2.4	2.3
Lao PDR	3.0	3.6	4.9	5.2	7.3	1.8	3.1	2.2	2.2
Myanmar	30.4	37.5	45.1	47.1	55.3	2.1	1.9	1.9	1.0
Thailand	41.4	51.6	58.2	62.0	72.5	2.2	1.2	1.7	1.0
Vietnam	48.0	59.9	73.8	77.1	94.4	2.2	2.1	2.0	1.3

Sources: Athukorala et al (2000:121), Human Development Indicator Report 2000

During the regime of Pol Pot (1975-79), more than 1.5 million civilians were executed¹⁹². Many more escaped or were exiled from the country. As at the fall of Pol Pot in 1979, the population was estimated to be less than 3 million¹⁹³. The human losses, especially among educated and skilled persons, were immense. The population grew rapidly¹⁹⁴ after peace was restored and surpassed 11.4 million in 1998 (Census, 1998). The growth in population is caused by the return of refugees, immigration and natural births. This growth, however, has not been complemented by compatible growth in job opportunities, social institutions and infrastructure.

The current population featured a higher composition of the youths. Over half of the population is under 16 (Australian Department of Foreign Affairs and Trade, 2001). Only 3% were aged 65 or above and the average life expectancy was 56.82 years. It is growing at an annual rate of 2.5%¹⁹⁵.

Cambodia is a multi-ethnic society, which could be advantageous for promoting cultural tourism. Khmer, the principal ethnic group, accounts for about 94% of the population, followed by Chinese (3%) and Cham-Malays (2%). The local Chinese together with Chinese investors, although small in numbers, control a significant portion of the nation's capital, investment opportunities and wealth. This inequality might provoke ethnic conflicts as in the case of Indonesia.

The official language is Khmer¹⁹⁶. Some elders speak French. Chinese was once popular, especially in Phnom Penh and Siem Reap. According to a local Chinese, Chinese was the official business language. He claimed that there were more people speaking Chinese than Khmer in Phnom Penh before the war.

Theravada Buddhism is the state religion and about 95% of the population is Buddhist. 2% of the population, mostly the 200,000 Chams, are Islamic and a small population of Roman Catholic. Despite the strong historical influence of Hinduism, it has a negligible presence in modern Cambodian society.

Cambodia remains an agrarian society with more 75.7% of the population being peasants and fishermen¹⁹⁷. The wearing down of the agricultural economy and the growing landlessness has driven many peasants and their children to urban centre for employment opportunities. At the turn of the century, garment factories projected a hope to many, especially females. The situation in 2001 and 2002, however, is less promising¹⁹⁸ (Falkus, 2001, Oxfam, 2002).

The war-torn Cambodian society is blighted by numerous problems, viz., poverty, insecurity, illegal prostitution, health problems, orphans, drugs, corruption, heritage looting and AIDS. According to Sebastien Marot, a spokesman for Friends¹⁹⁹, the number of AIDS orphans was expected to leap to 140,000 by 2004 from the estimate 30,000 in 2000. AIDS has destroyed families, the working forces and the social structure of Cambodia. This segment of the population will not be able to cope with the needs of the community in terms of productivity. They become a burden

to their family and the community. Although foreign aid²⁰⁰ arrived in Cambodia to help with this concern, the problem and its impacts still haunt the nation. AIDS/HIV is becoming an important issue in both the development and tourism of Cambodia. Both tourists and investors have expressed their concern about their personal safety in relationship to the high prevailing rate of AIDS/HIV in the country.

Health and AIDS

“Cambodia risks losing another generation, this time through AIDS, unless a forecast rises in social dislocation left by the deadly virus can be averted.”²⁰¹

Health is a big issue to ASEAN countries. Japan in November 2001 initiated a new project, the Japan-ASEAN Information and Human Network for Infectious Diseases Control (HIV/AIDS, Tuberculosis, Malaria & Parasitic diseases Control), to complement the ASEAN countries' efforts in fighting against infectious diseases. This initiative indicates the seriousness of infectious diseases in the region.

The HIV and AIDS epidemic has had serious, widespread effects. Sexual intercourse was believed to be the only medium for the spread of HIV. Thus, the impact was perceived as “controllable”. The fact is that HIV/AIDS has been spreading faster and wider than originally projected²⁰². Its momentum seems beyond control. It is no longer merely a health concern. It has extended to the economic, social, political and touristic dimensions.

Cambodia has been severely hit by AIDS²⁰³. In a report on 22nd November 1996, Cambodia has already being identified as the highest in infected rate of Aids in Asia (Washington Times). At that time, health officials estimated 1 % of the population and 2.5% of pregnant women are HIV positive. Currently, there are about 170,000 Cambodians, or nearly 3% of the population, being infected (New York Times, 7th December, 2001). The Cambodian officials estimated that there are 100 new cases and 20 AIDS-related deaths each day (Kyodo News Services, 15th February, 2000). Although Prime Minister Hun Sen endorsed a mandate for mandatory condom use in brothels, the cost, US\$ 2 million each year (Reuters, 16th

October, 1999), was too high for the country. Despite the fact that prostitution is illegal in Cambodia, the anti-prostitution law and the mandatory condom usage lack enforcement. A report (Nando Times, 9th June, 1999) revealed that approximately 50% of the sex workers in Cambodia are HIV positive. This study, however, did not include 'potential sex workers' who do not consider themselves as prostitutes, such as the 'beer girls' and hostesses working at bar and karaoke. The Ministry of Health revealed that only 10% of the beer girls always use condoms, which is much lower than the 42% of the prostitutes surveyed (Nando Times, 20th July, 1998). These 4000 to 5000 'beer girls', who admitted that they often have sex with their client after work, constitute a group of high riskier mediators. AIDS has been described "as lethal as the Pol Pot Regime" (Reuters, 16th September, 1999). In April 2000, the World Bank has announced that they will set aside a budget for countries (developing nations) to fight against AIDS/HIV.

The widespread nature of this deadly disease is intertwined with various contextual factors, including the lack of a social safety net, the negligence and naivety of the people, the lack of education and health care services, and the development of the sex industry and tourism. The major underlying factor, however, remains poverty.

"Yes, I heard about it and was scared to visit Cambodia because of AIDS although I do not intend to buy sex services."²⁰⁴

Aids hits Cambodia's tourism development in three way: financially; economically in terms of human resources and damage to its image; and socially. Most of the family with AIDS patients too poor to afford health services, which are a paid public goods in Cambodia. The social burden eventually comes back to the national account and adds pressure to the already tight budget. Dr. Tia Phalla, National AIDS Programme Director, revealed in an interview in November 1998 that the situation of AIDS is serious and getting worse with more than 180,000 Cambodian living with aids (Khus, 1999). The prevalence rate of HIV among the adult population was 2.7 per cent, which is the highest among Asian countries (Elliott, 1998). While the chain started predominately with the males, they infected their wives and children²⁰⁵. Death of the male means the loss of the "breadwinner" to the family and an active entity to the economy. Orphans are often left

unattended. More social problems can be expected in the foreseeable future. The perceived backwardness of the health services and the prevalence of HIV/AIDS are threats to tourism that cannot be underestimated. Warnings from foreign governments to tourists and investors have become more prominent. Although reform of the health care system and development of infrastructure have been underway with foreign aid and assistance, the general health condition of Cambodia seems to be deteriorating rather than progressing (Gary, 2000; Srey, 2001; Wan 2000).

Poverty, Inequitable Distribution of Wealth, Earnings and Opportunities

Poverty is critical in Cambodia. In 2000, about 36% of population lived below the poverty line. The 6% unemployment rate was illusive owing to the high proportion of unpaid family labour (46%) and seasonal/occasional jobs. According to ADB, the real wages of unskilled labours fell 5 to 10% between 1997 and 1999. Poverty has socio-economic and political implications to Cambodia, and adversely affected the long-term development of tourism. "Tourism processes manifest power as they mirror and reinforce the distribution of power in society, operating as a mechanism whereby inequalities are articulated and validated" (Morgan and Pritchard, 1998:7). For editorial arrangement, poverty was presented in a separate section.

Insecurity

Sen (1999:29) argued that economic development is rarely monotonic and that the belief in invulnerability is unfounded. Therefore, it is "absolutely obligatory to see security as a central part of development." Insecurity should be viewed as a non-detachable part of the development process. A crisis can take any form and be triggered by any immediate incidents or long-underlying factors. Crisis can catastrophically tear down social harmony; destroy civil security, halt development, and might end up in a cataclysm with impacts that linger on for a long time.

Insecurity was a characteristic of Cambodia perceived by the local public, tourists and investors²⁰⁶. While the local public would have little choice, tourists and investors could easily opt not to visit or invest in Cambodia. Insecurity, thus,

has to be addressed in view of development.

The sense of insecurity was caused by the combination of a high crime rate, poor communication, health care and medical system, corruption of government officials and the poor transportation network. The warning from the Australian Department of Foreign Affairs and Trade (2002) cited below revealed a combined concern.

“Travel and health insurance is strongly recommended... The cost of medical evacuation by air to Bangkok can be as high as US\$15, 000 excluding medical treatment.”

The sense of insecurity is a major obstacle that hindered the inflow of investment and tourists. Many of the respondents in the focus groups revealed concerns about their personal safety when travelling to Cambodia.

“I will not select Cambodia as my destination to travel until I am perfectly sure it is safe.”²⁰⁷

Although many of the negative images projected by press coverage and word-of-mouth might not be accurate, they have detrimental impacts on the development of tourism Cambodia.

“I will rely on the press as my main source of reference for assessing the situation in a foreign destination.”²⁰⁸

“From what I have read in the newspaper, it is dangerous to go there.”²⁰⁹

Furthermore, the lack of a social safety net (SSN) is an underlying threat. The Asia financial crisis, the thunderstorm in 2000, the economic downturn in 2001 hit most immediately and vigorously on the “weak” and poorest grassroots segment of the society. Social or political upheaval can turn into massive revolution²¹⁰. This is exactly why Sen (1999) argues for “protective security” or SSN as an important instrumental freedom. To further complicate the situation, the former Khmer Rouge forces, together with the royalist insurgent forces were integrated into the Royal Cambodian Armed Forces (RCAF) rather than totally disarmed. Various provinces, such as Pailin, are still strongholds of Khmer Rouge.

Other Social Problems²¹¹

“Possible money laundering; narcotics-related corruption reportedly involving some in the government, military, and police; possible small-scale opium, heroin, and amphetamine production; large producer of cannabis for the international market” (CIA Factbook, 2002²¹²).

Drugs, prostitution, corruption, heritage looting and smuggling are a few critical social problems in Cambodia. The problem of drug abuse has come to the attention of the researcher via various sources of local intelligence. Although the possession of even small amounts is unlawful in Cambodia, it is easily assessable (Australian Department of Foreign Affairs and Trade, 2002). No official data is available to verify the situation. Local intelligence generally believes drugs are smuggled into Cambodia from the Golden Triangle by gangsters. Owing to the low domestic consumption power, the distribution of illegal drug is limited to tourists and expatriates. However, as the economic development started to grow and as the number of international tourist arrivals grew, drugs related crime could intensify²¹³.

Sex tourism and prostitution are social phenomena bearing political, economic and administrative implications. It is associated with the prevalence of AIDS, trafficking of children and women, which have significant impact on the long-term viability of development.

Heritage looting was serious and expands as poverty intensifies. Thousands of tons of monuments have been looted and shipped across the border to Bangkok and then transhipped to the western world. Heritages preservation and conservation are critical issues to tourism development. They are, however, intertwined with legislation, law enforcement, corruption, public policies and finance, economic issues and international relationships. This phenomenon, once again, illustrates why tourism is very much related with its contextual setting and in a complex manner.

Corruption in Cambodia, as in many other LDCs, is serious. While academia and government agents might be more interested in the social impacts of corruption, businessmen are more interested in how to calculate the cost and benefits of corruption. It is a business rather than a moral decision. The challenge is not

corruption but to make sure it works. Detail discussion on prostitution, corruption and heritage looting was organized in separate sections for editorial reason.

Cultural Veneer²¹⁴

“Increasingly, today, people don’t simply live in cultures; rather, they present their cultures and natural environments as commodities to be seen by tourists” (Professor Shinji Yamashita, 2002²¹⁵).

Travel Industry Association of America (TIA)²¹⁶ claimed that travellers who love history and culture spend more and stay longer than average tourists. They also behave differently²¹⁷. In short, they are preferred owing to their higher yield potential. Although TIA only surveyed the American market, it articulated two critical implications for LDC destinations. First, cultural tourists are different from the mass general tourist and should be treated differently. Second, targeting a higher yield market segment might generate more returns, while releasing some of the pressure on the destination’s carrying capacity. In other words, arrivals numbers might not be the ultimate goal to achieve. Furthermore, cultural tourists are more serious and willing to endure travel annoyance, such as unpleasant weather, inferior infrastructure, relatively limited accommodation services and lack of affiliated entertainment. All these characteristics of cultural tourism look more promising to Cambodia’s current situation.

The cultural environment of Cambodia is exotic and colourful (Neth, 2000²¹⁸; Veng, 2000). Despite the passage of time and damages of war, cultural attractions and historical heritages are the main assets for developing tourism (Veng, 2000). In this section, the researcher attempted to assess the cultural wealth of the country by combining the tourism and the local perspectives.

The major types of cultural assets / folk arts included performing arts and visual arts; historical heritages; and social cultural and customs. The researcher deliberately selected the Royal classical ballet, the silk and silver crafts, and historical monuments, for discussion because of their touristic values. Information and materials in this section are mainly collected at site visits, observations, from archives, and interviewing key informants in the cultural sectors and the tourist industry. More details are presented in Appendix F.

Dances and Performing Arts

“Known for its intricate hand gestures, hypnotic movements, and elaborate costumes, robam kbech boran (classical dance) is Cambodian culture’s most precious art form. For centuries Cambodia’s royal dancers served to communicate between the king and the gods, a bridge between the natural and spiritual worlds.” (Description by the Hong Kong Arts Festival 2002)

There are about 140 different types of traditional Khmer dances and dramas. Dances can be subcategorised into the “Classical” and “Traditional” dance. The classical dance of Cambodia generally refers to those designated for the Royal Family. The classical ballet has two main elements: the Apsara dancing and the “Tontay” dancing. Both Apsara and Tontay dancing received a combination of traditional, folk and Hindi influences. The classical Khmer dance had once been very popular and has been a critical influence to the development of dances in the region including the traditional dances in Thailand. Traditional dances, such as the peacock dance and the wedding dances are of equal importance to the Khmer culture.

Dances, as most of the other forms of arts, were banished by the Khmer Rouge and threatened with extinction. Traditional performances were revitalized after the restoration of peace. Official and structural training programmes are offered to local students. With the reopening of the Royal University of Fine Arts, 1980 marked a new phase for traditional culture.

Today, classical dance is no longer a privilege of the Royal family and the gods but generally available to the public and tourists. Performances can be found in hotels and at Chatomuk Theatre. Dances, as one of the most important arts of the Khmer people and the national soul of Cambodia²¹⁹, could be capitalized upon as a tourist attraction. Development is, nevertheless, subject to various limitations. The traditional and classical dances have been influencing and being influenced by the other ethnical dances in the region. This can be interpreted as a weakness since the Khmer dances has difficulty in positioning in this cluttered competitive environment. Many respondents²²⁰ proclaimed that they do not appear distinctive to tourists or foreign laymen.

The training system is relatively backward and outdated. Teaching materials and resources are limited, and financing is scant. Proeung Chhiebg²²¹, in a public interview, revealed that financial limitations are a major concern for the conservation of the Khmer dances. Salaries for dancers are too low to attract students²²² and retain practitioners to develop their dance performing career. Many families are reluctant to send their children to dance classes. Another critical point is that very few dance teachers survived the Khmer Rouge regime.

From an audience's point of view, both the traditional and classical dances possess an extensive symbolical representation and mythological backgrounds that are difficult for tourists to comprehend and appreciate. The marketability of the asset, therefore, relies on the product mix design and presentation.

Other performing arts in Cambodia include masked drama, shadow puppets, classical Cambodian music, circus arts, and the "pinpeat" orchestra, which features traditional gongs, drums, xylophones, hones and string instruments. Details of these performing arts have not been included in this thesis owing to the fact that they are less popular and less accessible by tourists in the current setting. This does not imply that these cultural assets are less valuable.

Crafts

Crafts and artefacts are of great importance to the development of cultural tourism in Cambodia. It has big business potential and can be a critical attraction²²³. The importance of artefacts, crafts and giftware has been verified in the focus group interview²²⁴. Results suggested that it is one of the areas that needed urgent and critical improvements. According to MoT, Cambodia have various forms of traditional crafts. The fine work and the skill, unfortunately, were devastated under Pol Pot, who considered all such forms of arts as disgraceful and a symbol of social marginalization. Activities related to arts, education and trading were prohibited. Artisans and art elitists were either executed or exiled. The ancient traditions of weaving, sculpting and carving were threatened with extinction.

Today, revival is underway. Schools and community development organizations, such as Bassac Crafts Centre, the Sobbhana Foundation, Lotus Pond, the School of Fine Arts Association, Tabitha, Wat Than Crafts, Khemara House.

JSRC, the Women's Association of Cambodia and Krousar Thney, have been promoting traditional crafts. Most of these organizations have the dual missions of revitalizing skill and craftsmanship and assisting the poor. Key handicrafts included pottery, silk, silverwares, carvings and sculptures.

The Cambodian artefacts, however, lack an identity. Close substitutions can be found in the nearby countries. For example, silk weavings, wood and stone carvings from Thailand, silverwares from Laos, silk and pottery from Vietnam and ruby from Myanmar. There are, in fact, more Angkorean style sand stone sculpture replicates found in Bangkok than in Phnom Penh. To take silk weaving as another example, raw silk thread and chemical dyes are being imported from China and Vietnam. Silversmith is another featured attribute. Craftsmanship, after reaching its peak in the 11th century, remains virtually the same. Products are not perceived as attractive despite they are relatively cheaper.

The fine differentiations between Khmer and Thai crafts are often hardly distinguishable to a tourist. According to the focus groups' responses, the major difference that they have noticed is the inferior quality of the Cambodian product²²⁵. That means Cambodian handicrafts are lacking competitive merit. The two exceptions, which received more favourable comments, were the reproductions of statues produced by the National Museum and the palm sugar offered by peasants at the roadside stalls. Their scale and economic contribution, however, were small.

Another problem is the conservation of techniques and skills. Recruiting students and retaining craftsmen is difficult. With the exception of masterpieces from known artists, such as Sa Em, a regular 3.3-meter long sarong, which takes about 10 days to complete, would only get US\$ 5 to 6 in the Central Market. Counting on silk weaving to earn a living in the city is difficult. Therefore, silk weaving was only regarded as a supplementary source of income.

Revitalization programmes by international aid, such as Sa Em's training programme organized by UNESCO and government support programmes, such as Sobbhana Foundation²²⁶, were established to revive the traditional arts of weaving and embroidery. Khemara, another local Khmer initiative, has established a training camp in Mittapheap Village, north of Phnom Penh. The camp offers training, food and shelter, and a small allowance for the women who attend the

programme. Graduates will be offered a loan to buy loom and other equipments to start their own business. The future, however, is very much dependent upon market demand.

Historical Heritage

“Tourists have been coming to Angkor for almost a century. As one of the greatest tourist attractions in Indochina, Angkor may soon re-establish its pre-eminence on tourist circuits in Southeast Asia” (Wager, 1995:516).

Historical heritage, especially the Angkorean monuments, is the most important asset and tourist attraction of Cambodia. Visitation to the Angkorean monuments can date back to more than a hundred years ago (Wager, 1995). The Angkor Conservation Office was founded in 1907 for preserving the monuments and more than 60 sites became major tourist attractions.

The Archaeological Park was established in 1925 as the first national park in Southeast Asia. Angkor was the centre of the Khmer Empire from 11th through 14th centuries. During its peak, its territory covered northern Thailand and most parts of today's Vietnam. Religious monuments, fortifications, water tanks, settlement mounds, roads, bridges and other public work of the empire cover an area of more than 5000km². In 1992, Angkorean monuments and sites, which cover an area of 300km², were inscribed under the World Heritage Convention²²⁷.

The Angkorean monuments consist of more than 270 historical architectures. Its history can be dated back to AD 200 when an Indian Brahmin established the settlement in the area. Among the group of monuments, Angkor Wat is the most important and well-preserved site. Daniel Robinson and Joe Cummings (1991) exclaimed in their travel book “Angkor Wat is one of humankind's most magnificent architectural achievements.”

King Suryavarman II built Angkor Wat in mid-12th century. It took a prolonged period of more than 30 years to complete the project. It covers a gross area of nearly 200 hectares and was surrounded by a moat. Angkor Wat was built as an architectural allegory of the Hindu mythology. The tallest central tower symbolized Mount Meru, which is the centre of the universe and where the gods live.

The moat and the group of smaller towers, which surrounded the temple, symbolized the ocean and the range of mountains. The half-a-kilometre long entry way over the Baray (artificial lake) symbolized the rainbow bridge, which links the heaven and earth.

Most of the Angkorean heritages were built in the most glorious Angkor period, from around AD 800 to AD 1431. When the Siam (Thai) troop conquered the Royal palace, Angkor Thom, the Khmers moved their capital to Phnom Penh. The old Angkorean capital was abandoned and forgotten. The palace and hundreds of temples were lost in the tropical rain forest. It was four hundred years later when they were rediscovered and documented by Henri Mouhot, a French naturalist. The actual boundary of the capital is hard to trace today since most of the wooden buildings no longer exist. The listing to the World Heritage in 1992 was conditional upon “the promulgation of adequate protective legislation, the establishment of a national protection agency to coordinate site administration, the demarcation of permanent boundaries and buffer zones, and international monitoring and coordination” (Wager, 1995:515). United Nations Educational Scientific and Cultural Organization (UNESCO) initiated the Zoning and Environmental Management Plan (ZEMP) to facilitate and to ensure the conditions are met.

The current official site of preservation covers 400 sq. km. Within this zone, no development project is allowed. Major monuments such as the walled city Angkor Thom and temple Angkor Wat are guarded by armed police forces.

Figure 5.6: List of Participants willing to contribute to the safeguarding and development of the historic site of Angkor, as at October 1993

Australia, Belgium, France, Germany, Hungary, India, Italy, Japan, Luxembourg, Netherlands, Poland, Sweden, Switzerland, Thailand, United Kingdom, USA, EC, SPAFA, UNDP, UNESCO, UNV, ICCROM, Canada, China, Indonesia, Malaysia, Philippines, Russia, Sri Lanka, Asian Development Bank
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The monuments are under serious natural threat, including weathering and erosion. A unique hazard is the invasion of vegetation. Fig trees that have grown onto the monuments destroy and disassemble them. UNESCO is directly involved in a number of preservation projects to clear out some of the vegetation. The Cambodian government, however, insisted that those in “Ta Prohm” should remain as evidence of how the heritages were affected by natural forces. The vegetation’s

invasion incidentally makes Ta Prohm a very popular temple. Another problem is bats. A large number of bats have lived inside the monuments and their acid waste caused irrevocable damage. Projects have effectively controlled the habitation of bats by re-sealing the ceilings so as to eliminate their living places.

Since the rediscovery of the Angkorean site, the monuments are subject to new threats: looting²²⁸, traffic, and tourists. Looters are interested in the sculptures, decorative stone window pillars, columns, statues and almost anything they can or cannot sell in the black market. Many heads and body parts statues have been newly replaced by replicas. Most of the original parts have been stolen and sold overseas. The chances of recovering these lost items are slim. With the efforts of World Heritage Committee (WHO) and UNESCO, the public are being made aware of the stolen artefacts and many items have been returned to Cambodia. Bangkok used to be the distribution hub of looted artefacts. The Thai government responded by introducing measures to rule out illicit cross-border trafficking. These controls saw a steep rise in the prices of the artefacts. Thus, looting activities went on for quite awhile after the imposition of governmental control and policing.

The preservation programme included the patrol of designated zone by armed forces. Looting, however, has been controlled rather than eliminated. There are various reasons for that. First, the area is large but resources are very limited. Major monuments such as the Angkor Wat and Angkor Thom are under better protection but many smaller monuments are often left unattended. Looters can still easily get in and out. Second, the effectiveness of the police protection is under question. Some intelligence even accused the police being involved in lootings.

While tourism gave monuments financing and a rationale for preservation, tourists constitute another threat to the heritage. Throughout the research period, tourists can still walk through and have physical contact with the monuments. During the various site visits, irresponsible tourist behaviour such as taking small piece of stones from the site as souvenirs was witnessed.

The extreme lack of financing, human resources and technology make the preservation of the monuments difficult. The works done so far are mainly initiated and carried out by or with intervention by international/foreign organizations. International organizations such as World Tourism Organization

(WTO), International Council for Monuments and Sites (ICOMOS), and joint projects funded by foreign governments such as France, Japan and PRC, have been playing an active role in preserving the heritage. Yet, action needs to be expedited speedily. Heavy visitation, weathering and erosion, invasion of flora and fauna, looting and tourist traffic are pressing. The convention, Protection of The World Cultural and Natural Heritage 1998, organized by World Heritage Committee, decided to retain Angkor on the list of World Heritage in Danger and reiterated the potential threats and damage.

Cambodia counts very much on foreign intervention and assistance for the preservation of monuments. With the downturn of the regional economic situation, many foreign donor countries, such as Japan and Australia have their own financial difficulties. Although many of the on-going projects are still proceeding, new projects have been reduced in number and scale.

Natural Endowment

“Cambodia's location in central Southeast Asia is conducive to attracting tourists and the country has many attractions for developing the sector. Its rich cultural and historic heritage is considered a major component in the sector's expansion... Cambodia's environment and landscape provide the basis for nature tourism as well. Some 60 per cent of the country is still under forest cover and considerable wildlife, including several large animals and many species of birds, live in forested highlands and mountains, some of which have been designated as national parks and wildlife sanctuaries.” WTO

The natural environment of Cambodia, as for many other LDCs, is fragile and sensitive. This section assessed Cambodia's national environment by using the Environmental Sustainability Index (ESI)²²⁹ and by investigating the current situation via interviews of key informants, site visits and other archives.

Out of the 142 countries included in the 2002 ESI assessment, Cambodia ranked 97 with a score of 45.6 (highest being Finland with a score of 73.9 and lowest being Kuwait with a score of 23.9). Although the ESI scores do not provide much details,

it is an effective means for cross-nation comparisons; gaps identification; policy setting; environmental tracking; and could be correlated with other measurements, such as economic and competitiveness indicators. ESI is selected as a key indicator for analysis also because of its strength in incorporating past, current results and capacity to cope with the future. To rectify the insufficiency of ESI and to further enhance the knowledge about Cambodia's actual situation, additional data, both in primary and secondary format were utilized.

ESI's logic is to make use of five major components, viz., environmental systems, reducing environmental stresses, reducing human vulnerability, social and institutional capacity, and global stewardship, to assess the performance of a nation. Details of logic are summarised in Table 5.10 below.

Table 5.10: Components and logics of ESI

Component	Logic
Environmental Systems	A country is environmentally sustainable to the extent that its vital environmental systems are maintained at healthy levels, and to the extent to which levels are improving rather than deteriorating.
Reducing Environmental Stresses	A country is environmentally sustainable if the levels of anthropogenic stress are low enough to engender no demonstrable harm to its environmental system.
Reducing Human Vulnerability	A country is environmentally sustainable to the extent that people and social systems are not vulnerable (in the way of basic needs such as health and nutrition) to environmental disturbances; becoming less vulnerable is a sign that a society is on a track to greater sustainability.
Social & Institutional Capacity	A country is environmentally sustainable to the extent that it has in place institutions and underlying social patterns of skills, attitudes and networks that foster effective responses to environmental challenges.
Global Stewardship	A country is environmentally sustainable if it cooperates with other countries to manage common environmental problems, and if it reduces negative transboundary environmental impacts on other countries to levels that cause no serious harm.

Sources: World Economic Forum (2002:5)

Cambodia was in the “high human vulnerability; moderate systems and stresses” cluster. Within the same cluster are LDCs, such as Angola, Congo, Myanmar, Laos and Rwanda. It is important to notice that with the exception of Vietnam, China and Thailand, which belong to the “moderate vulnerability; systems and stresses: avg. capacity” cluster, all nations in the low Mekong fall into this cluster.

Table 5.11: Cambodia’s ESI in 2002

Component and indicator	Rank	Score ²³⁰	Hi-lo score
Overall	97	45.60	73.9 – 23.9
Environmental system	85	47.00	90.4 – 18.1
Reducing environmental stresses	30	60.90	70.3 – 9.4
Reducing human vulnerability	125	8.20	85.1 – 1.9
Social and institutional capacity	74	41.60	91.5 – 20.8
Global stewardship	52	58.30	74.2 – 9.3
Air quality	97	-0.40	1.50 – -1.65
Water quantity	19	0.70	3.0 – -1.09
Water quality	109	-0.47	1.59 – -1.81
Biodiversity	115	-0.43	1.08 – -4.16
Land	57	0.22	1.66 – -1.98
Reducing air pollution	104	0.01	0.66 – -3.87
Reducing water stress	55	0.43	0.95 – -2.87
Reducing ecosystem stress	83	0.01	1.47 – -1.78
Reducing waste and consumption pressures	13	0.90	0.95 – -2.84
Reducing population growth	83	0.03	1.24 – -2.19
Basic human sustenance	137	-1.88	1.06 – -2.27
Environmental health	112	-0.90	1.03 – -2.05
Science & technology	113	-1.02	2.06 – -1.86
Capacity for debate	95	-0.25	1.49 – -1.20
Environmental governance	40	0.24	1.47 – -1.31
Private sector responsiveness	71	-0.41	2.87 – -0.90
Eco-efficiency	37	0.38	2.62 – -2.21
Participation in international cooperative efforts	138	-1.03	1.40 – -1.31

Reducing greenhouse gas emissions	4	0.95	0.97 – -3.05
Reducing transboundary environmental pressures	13	0.71	1.21 – -2.56

Source: World Economic Forum, Yale Center for Environmental Law and Policy and Center for International Earth Science Information Network. (2002). 2002 Environmental Sustainability Index

Cambodia’s score on the major components indicated that with the exception of reducing environmental stresses (60.9) and global stewardship (58.3), its performances were below average. ‘Reducing human vulnerability’ is the poorest facet with a score of 8.20 and ranked 125. For individual indicators, Cambodia performed best in ‘Reducing greenhouse gas emissions’ (0.95), ‘Reducing waste and consumption pressures’ (0.9), ‘Reducing transboundary environmental pressures’ (0.71), and ‘Water quantity’ (0.7). The worst areas are ‘Basic human sustenance’ (1.88), ‘Participation in international cooperative efforts’ (1.03), ‘Science & technology’ (1.02), ‘Environmental health’ (-0.9), ‘Water quality’ (-0.47), and ‘Biodiversity’ (-0.43).

Table 5.12: Cambodia’s Background Comparing to the Average of Cluster 1

	Cambodia	Cluster average
ESI	45.6	46.0
Environmental systems	47.00	50.8
Reducing Environmental Stress	60.90	54.2
Reducing Human Vulnerability	8.20	18.2
Social & Institutional Capacity	41.60	39.0
Global Stewardship	58.30	61.3
Spatial Index of Density (31 to 91)	NA	58.1
Per Capita Income	\$1,309	\$1,417
Democratic Institutions (-9 to 10)	2.0	0.15

Source: Yale Center for Environmental Law and Policy and Center for International Earth Science Information Network. (2002). 2002 Environmental Sustainability Index

Table 5.13: Cambodia’s ESI Individual Factor Scores

	GDP per capita	Current Competitive Index	Peer average	Cambodia’s score	Discrepancy
Environmental system	NA	NA	50.8	47.00	-2.20
Reducing environmental stresses	NA	NA	54.2	60.90	6.70
Reducing human vulnerability	NA	NA	18.2	8.20	-10
Social and institutional capacity	NA	NA	39.0	41.60	2.6
Global stewardship	NA	NA	61.3	58.30	3
Air quality	0.57 ^P	0.57 ^P	-0.33	-0.40	0.07
Water quantity	-0.09 [∅]	-0.23 [∅]	0.20	0.70	0.50
Water quality	0.52 ^P	0.47 ^P	-0.24	-0.47	0.23
Biodiversity	-0.20 ^N	-0.14 [∅]	0.10	-0.43	0.53
Land	-0.32 ^N	-0.28	0.13	0.22	0.09
Reducing air pollution	-0.62 ^N	-0.57 ^N	0.40	0.01	0.39
Reducing water stress	-0.45 ^N	-0.35 ^N	0.32	0.43	0.11
Reducing ecosystem stress	-0.07 [∅]	-0.17 [∅]	-0.03	0.01	0.04
Reducing waste and consumption pressures	-0.80 ^N	-0.66 ^N	0.68	0.90	0.22
Reducing population growth	0.51 ^P	0.56 ^P	-0.31	0.03	0.34
Basic human sustenance	0.64 ^P	0.75 ^P	-0.43	-1.88	1.45
Environmental health	0.65 ^P	0.61 ^P	-0.46	-0.90	0.44
Science & technology	0.84 ^P	0.89 ^P	-0.76	-1.02	0.26
Capacity for debate	0.40 ^P	0.27 ^P	-0.19	-0.25	0.06
Environmental governance	0.66 ^P	0.81 ^P	-0.41	0.24	0.65
Private sector responsiveness	0.66 ^P	0.72 ^P	-0.44	-0.41	0.03
Eco-efficiency	-0.15 [∅]	-0.10 [∅]	0.07	0.38	0.31
Participation in international cooperative efforts	0.58 ^P	0.74 ^P	-0.35	-1.03	0.68
Reducing greenhouse gas emissions	-0.46 ^N	-0.42	0.37	0.95	0.58
Reducing transboundary environmental pressures	-0.36 ^N	-0.16 [∅]	0.28	0.71	0.43

Note: ^P stands for positive correlated; ^N stands for negatively correlated; [∅] stands for no statistical significant correlation.

Source: World Economic Forum, Yale Center for Environmental Law and Policy and Center for International Earth Science Information Network. (2002). 2002 Environmental Sustainability Index

Further relating the performance of Cambodia in relation to the correlation between indicators and GDP/Competitiveness Index, most of the areas with good performance are negatively correlated with GDP and competitiveness. 'Reducing greenhouse gas emissions' and 'reducing transboundary environmental pressure' show no correlation with competitiveness. 'Water quantity' has no correlation with either competitiveness or GDP. On the other hand, the worst four performing areas are found to be positively correlated with both GDP and competitiveness. In other words, the current below average performance might have a negative impact on the country's GDP, competitiveness, and environmental sustainability.

Environmental issues in Cambodia are under the custody of the Ministry of Environment²³¹. The attempts to raise foreign exchange, however, would often lead to unsustainable extraction for export of scarce primary resources²³². Ratification of international agreements, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), is critical to preserve the environmental quality. RGC, as at 2002, had not yet ratified CITES.

In terms of natural endowment, Cambodia can be regarded as rich in resources. According to International Development Research Centre (IDRC), four-fifths of the country is covered with forest. Forest is a precious natural endowment and also a means for living for many indigenous people²³³. The large-scale plantation and agricultural movement has moved along the riverbank of Mekong all the way up to the upper stream of the river. The development of farms, housing, river cruising, and other form of transportation and commercial activities have driven wildlife away.

Logging was vibrant in Cambodia. The high market value of rosewood, teak and mangroves led to serious deforestation. In 1970, 58% of the country was covered with forest. Although the government claims that this figure still prevails, Galabru argues that it could be halved (Grossman, 2002). According to the World Bank, the annual deforestation in Cambodia for the period from 1990-1995 was 1,638 square kilometres with an annual increment of 1.6%. The average deforestation per year equalled to 1% of the national total surface area. Jake Brunner²³⁴ (Grossman, 2002), contended that there was little left of value in the more accessible areas. Logging also promoted illegal hunting as paths and roads

for the logging make these 'hunting grounds' more accessible. According to IDRC, four-fifths of the Cambodian population live in the rural areas. They rely on the forest and natural environment for their living. Deforestation and degradation of natural environment is, therefore, more than an environmental issue. It is also a social issue. For example, the highland Cambodian living in the northern provinces, such as Ratanakiri, practices a sustainable form of swidden agriculture, also known as slash-and-burn cultivation, which is symbiotic with forests. Deforestation is detrimental to their traditional livelihood.

In order to preserve the natural environment, 28,600 square kilometres of land were assigned as protected area in 1996. Concessions were allotted to a small number of companies and their logging activities have to be monitored and controlled. Illegal logging is to be strictly prohibited. The reality tells another story. Forest was still heavily logged without consideration, compensation or arrangement for the local publics. Logging operators often log outside the concession area and/ or even force the local community to surrender their farmlands. It has undermined the rural institutions. Furthermore, the deforestation caused by the excessive logging in the country has been indicted as the underlying cause for the massive flood in 2000, which destroyed about 15% of the rice crop, one-third of the roads, 3000 bridges, 1000 schools and 170 health centres (Grossman, 2002). Wild animals, especially tigers and elephants are seriously affected by deforestation.

Mangroves are another important asset of Cambodia. According to IDRC project #40401, the last remaining pristine mangrove forests in Southeast Asia are in Cambodia. These mangroves are important natural assets for their rich bio-diversity and its criticality in coastal sustainability. The mangrove forests are a refuge and nursery ground for fishes, crabs, shrimps and molluscs. It makes a perfect home for birds, monkeys, sea turtles, lizards and insects. It also provides food, fuel, medicine and building materials for the indigenous people. The wide spread of poverty and the opening up of borders have promoted trade and exploitations of the mangroves zone. Vast logging for mangroves charcoal, cyanide and grenade fishing though illegal has been vigorous. IDRC initiated the Participatory Management of Mangrove Resources project in Peam Krasoap Wildlife Sanctuary (PKWS) in Koh Kong in 1997, which attempts to rectify the situation by involving the local communities into the management of the mangroves

and turn people from destroying them to protecting them. Villagers of Koh Sralao, however, were reluctant to answer the government's invitation. IDRC suspected that it has something to do with their bad experiences with the Khmer Rouge. Although the project has faced various problems and obstacles, it is gradually progressing. Its initiative to mobilize local participation has proved to be effective. According to Mr Kim Nong, Minister of Environment, degradation in the subject area has decreased by 80%. This project has also provided an important insight that community involvement is critical for preserving local resources. The process in conservation of the natural environment is still relatively slow. PKWS is only one of the 23 protected areas in Cambodia. Degradation and deforestation in other areas, including protected areas are still rapid.

Another critical factor affecting the quality of the coastal mangrove zone is commercial shrimp/prawn farming, which is seriously threatening the natural environment. This is discussed further in Chapter 6.

On 1st January 2002, RGC, under pressure from international lenders, IMF and ADB especially, halted all logging activities. There is no agenda for reactivating the industry. No new concessionaire for logging will be approved and the existing ones were ordered to submit new forest management plans. Until an agreement was sought from the government, all logging operations have to be suspended. Environmentalists and other action groups generally welcome this preservation initiative but it is evident to the researcher that there should be concern about the particularity of the order. Since many logging activities involved military and government officials, and have a direct impact on their revenue and the livelihood of the workers, illegal operations can be expected to continue. Eva Galabru, country director for Cambodia for the Global Witness suggested that local police forces and military have been directly involving in illegal logging in restricted areas. Logging companies have been getting around the system by offering the logging inspectors bribes, which worth 10 times or more of their US\$25 monthly salary (Grossman, 2002). The system has been too corrupted to prove reliable. The order could just be a demonstration for reiterating, soliciting and retaining international aid and assistance. Logging activities going underground make controls even more difficult. This incident also illustrates the importance of international intervention on the domestic policies and governance of LDC in the modern international arena.

Another issue is the backward and poorly managed land administration system. Records are incomplete and measurements are not clearly documented. People often occupied land that has been designated as reserve land (Törhönen, 2001:413). RGC often declares land rights without consulting the land registration and sometimes no compensation will be given to the occupants. Nonetheless, whenever there are rumours about development plan, the number of occupants of the concerned area multiplied quite instantly (Törhönen, 2001:413).

Wildlife is another attraction of the country. On 22nd July 2001 (Harmer, 2001), a camera snap caught the long lost Siamese crocodile (*crocodylus siamensis*)²³⁵. Other endangered species such as the Asian Tiger and wild elephants inhabit the country. These wildlife, however, are under the threat of pollution, urbanization and illegal hunting. As Harmer (2001) suggested, “Though hunting is illegal, it is by no means uncommon.”

A recent case reported that 1300 protected animals were recovered by the division for protection of endangered animals under the Ministry of Agriculture, Forestry and Fisheries²³⁶. This batch included wild boar, bear, turtle, and deer. The “urban council” also inspected the catering outlets and found 137 restaurants were serving protected species. They were liable to a fine but none of them were ordered to close down.

The Cardamom Mountains region in southwest Cambodia was described as the last true wilderness in mainland Southeast Asia. Its remoteness preserved an exceptional degree of biological diversity, including many globally threatened species²³⁷. The lack of transportation network, the heavy rainfall, especially during the rainy season and the various threats to humans, including tropical diseases, wild fauna and the extreme conditions, make it inaccessible to tourists at the moment. The case of Cardamom demonstrated the necessity of inter-governmental interventions, NGOs and donors’ participation in the preservation and conservation of natural heritages and the importance of tourism to give natural environment an economic value.

Tonle Sap, the great lake, is an important asset to Cambodia. Over 60% of the country’s population relies on the lake for their daily protein (Cochrane, 2002). It provides water for irrigation and is a fertile fishery ground. Yet, the lake and its

eco-system are under serious threat. Over-fishing, deforestation, undesirable development and plantation, administrative problems, and dams have added pressure to the ecosystem. The reduction of water inflow to the lake, caused by the deforestation and dams, has divested the harvest of many rice fields. The fish population has been decreasing over the years. Some of the species, such as the giant catfish, are likely to devastate the country. Joern Kristensen²³⁸ is warning that the situation is pressing and requires a totally different set of rules and regulations, and that the government has to be very farsighted (Cochrane, 2002).

Although community-based natural resources management systems have been introduced to the rural areas and are supposed to be monitored by the local authority, commercial and civilian activities seldom follow the guidelines. Many of the local authorities either lack resources to enforce the programmes or are corrupted.

Rapid growth of population²³⁹, inappropriate use and commercial exploitation of resources, government policy issues, poor planning and ineffective enforcement, legal ownership issues and corruption directly hampers environmental conservation and the development of nature-based tourism.

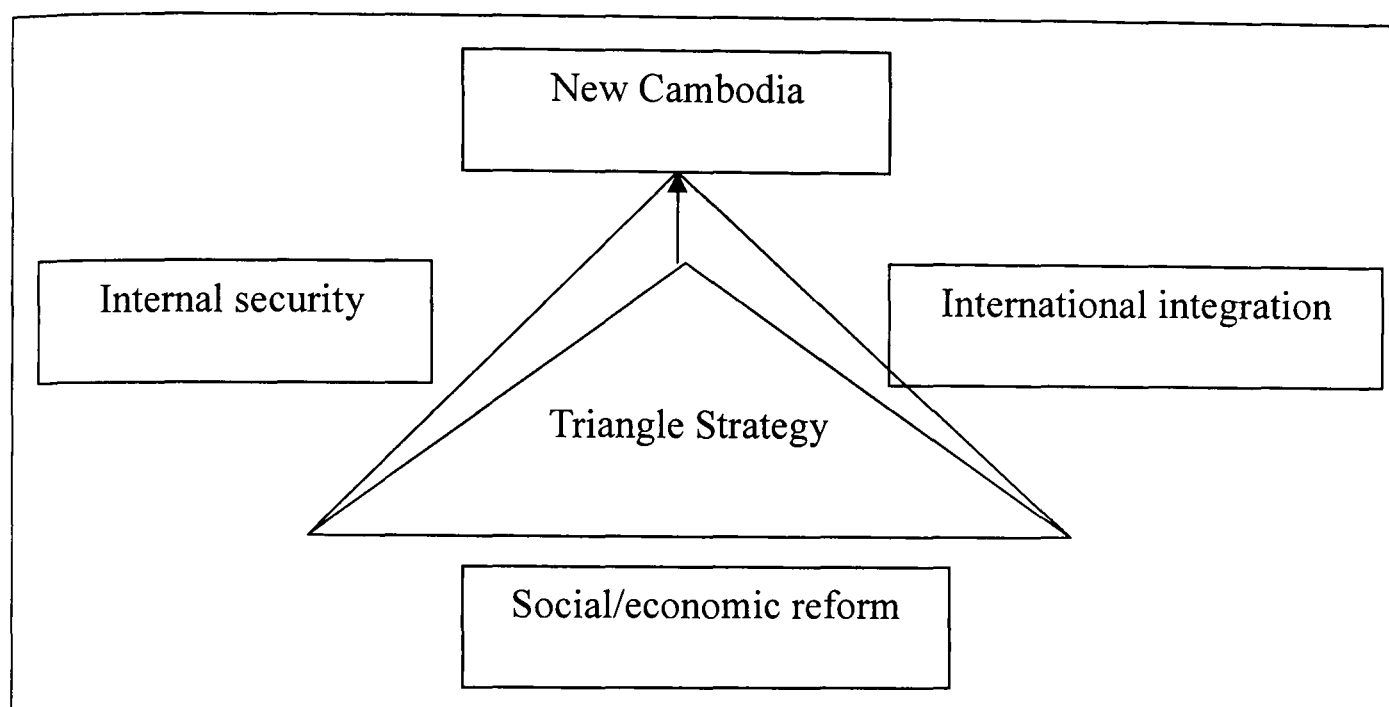
The summary remarks of the 2002 ESI report argued that ESI is positively correlated with per-capita GDP but wide variation exists among various income categories. Decisions about environmental preservation and the nature of economic growth are taken as separate issues. In the case of Cambodia, evidence suggests that there are correlations between economic growth, development, environmental sustainability, government policies and intervention, private sectors and other variables in a non-linear relationship. The serious shortage of resources/opportunities, the corrupted administrative system, the conflicts of interest and the fragility of the political environment form a fatal triangulating virus to all forms of development.

Social Development in Cambodia

Cambodia's development was seriously influenced by foreign intervention, especially ADB. With their assistance and influences, Cambodia implemented the Triangle Strategy, which emphasises the simultaneous development of: 1) restoring peace, stability and social security; 2) integration into the regional and international

arena; and 3) economic and social reform.

Figure 5.7: Cambodia Rehabilitation Strategy (the Triangle Strategy)



This triangle strategy requires administrative reform and various tactics. In February 2001, the Cambodian government adopted its Governance Action Plan to reform the public administration system. The new Commune Election Law and the Commune Administration Law have been promulgated in 2001 and commune elections were scheduled for February 2002. RGC has taken steps to decentralize administrative authority to provincial and commune level. Land Laws and Labour Laws were prepared and shall be approved by the National Assembly within 2002. Barriers to the reform remain. For example, the lack of expertise in the provisional level is an obstacle to decentralization; the lack of financing could promote higher levels of corruption and mismanagement alongside the decentralization of authority; various political parties are still very much driven by their own agenda and private interest that might trigger political or even armed confrontations.

Cambodia's Challenge to Sustainable Development

“Development is a slippery term” (Wahab and Pigram, 1997:43). It has different meanings to different people at different times under different circumstances. It has been utilized as a yardstick to measure the performance of an economy, its level of sophistication, the living standard of its people and the potential for prosperity. It is the expectation of many people and a goal for the RGC. Development, however, is a process rather than an end. Development takes place and forms in particular contextual environments, which are unique to each and every single case

of interest. It should be taken as an ongoing process. Once it stops, the system starts to deteriorate.

Development, as the goal for LDCs, is the pursuit of modernization, sophistication, advancement, economic prosperity and growth, community empowerment, equity and democracy. In real social terms, the mission is to reduce poverty, to promote equity and survival.

Economic development in Cambodia has been unbalanced and shallow (Athukorala et al, 2000:28). In the first half of the 1990s, it is driven by services and constructions related to UNTAC's operation. The growth in the agricultural and fishery sector, which accounted for 45% of GDP and 81% of employment, has been restrained. The contribution of manufacturing to GDP is low (5%).

The balance of payments is extremely unhealthy. Owing to the lack of domestic sources of financing, it has to rely on foreign aid and assistance. Most of the national budget (45%) still went to military expenditure in 1998 despite a slight cut back (5%) from the 1997's allocation. RGC's challenge is to establish a solid foundation for long-term economic development and maintain the macroeconomic stability (Athukorala et al, 2000:28). The lack of domestic savings makes it difficult to stimulate the economy with domestic investment. Throughout the 1990s, foreign aid and FDI financed more than half of the investment projects. The relative low debt ratio, 2.6 in 1998, is illusive since most of the foreign aid has taken the form of "outright grants or on highly concessionary terms.

The situation persists. The government budget still relies heavily on external sources. The pull back of FDI projects created new threats to the economy. The manufacturing sector, with garments as its core export, has been losing its vibrancy. The services sector, especially tourism, seems to be the only hope. Poverty, rather than mitigated, was enhanced. The problem of landlessness, unemployment and insufficient social security has deepened the suffering of the public in general.

Poverty

"Poverty amid plenty is the world's greatest challenge... Of the world's 6 billion people, 2.8 billion live on less than \$2 a day, and 1.2 billion on less than \$1 a day. Six infants of every 100 do not see their first

Poverty was often explained and addressed from a financial and economic perspective. It is a social phenomenon, which intertwines with all facets of the community. It is critical because of its seriousness and wide-spreading magnitude. The need to fight poverty is escalating. Anti-poverty programmes require a multi-disciplinary orientation. As James D. Wolfensohn, president of the World Bank, suggests, “successful development requires a comprehensive, multifaceted, and properly integrated mandate.”²⁴⁰ (World Bank, 2001: v)

Poverty is a generic term that not merely encompasses low income and consumption but extends to included low achievement in education, health, nutrition²⁴¹ and other areas of human development, powerlessness, voicelessness, vulnerability and fear (World Bank, 2001: v). Poverty is of interest in this thesis since it is the reason for promoting tourism and development.

As reviewed in the literature, poverty can be classified into: 1) financial poverty, which refers to the lack of earning/consumption power. It is sometimes cross-referenced as consumption poverty, which directly reflects the living standards of the poor. 2) Psychological poverty, which refers to the lack of psychological satisfaction. It can also be referred to as capacity poverty, which has a direct impact on the poor’s ability to rectify the problem of poverty. 3) physiological poverty, which refers to the lack of assets, infrastructure and facilities for development; and 4) emotional poverty, which refers to the powerlessness of the subjects.

Cambodia, as in many other LDCs, has an additional dimension of poverty, rural poverty, which is endemic. Because of their remote location, the lack of accessibility to education and training, the traditional mode of living, the commercial exploitation of natural resources from outsiders, the differences in values and beliefs and poor governance, rural poverty could be intensified by the process of development. Also, rural poverty in different local communities somehow differs from one another owing to their unique contextual settings. Therefore, the problem of poverty has to be dealt with locally in addition to the national, regional and international agenda.

In defining poverty as an issue to be dealt with in this thesis, it generally refers to absolute poverty, which refers to those who live below the poverty line. When assessing poverty's impact on tourism development, the definition of poverty extends beyond financial poverty to cover a wider perspective.

Causes of Poverty

Poverty is a socio-economic symptom. Unless its nature and causes are being thoroughly assessed, the problem cannot be rectified. The World Bank World Development Report 2000/2001 suggested three main dimensions of poverty: 1) the lack of income and assets to acquire the satisfaction of basic needs, which included food, shelter, clothing, and an acceptable level of health and education; 2) sense of voicelessness and powerlessness in the institutions of state and society; and 3) vulnerability to adverse shocks.

Assets can be further subcategorised into: 1) Human assets, such as the capacity, skills, and health; 2) Natural assets, such as land and attractions; 3) Physical assets, such as access to infrastructure; 4) Financial assets, such as savings and access to credits; and 5) Social assets, such as networks of contacts and reciprocal obligations that can be called on in time of need, and political influence over resources.

The causes for poverty can be any combination of the followings. Inherent deficiency is the primary source of poverty. It could be the case of lacking wealth generates merit or the burden of poverty enhancing factors, such as large unskilled and unproductive populations. Strength in a failing sector might induce structural poverty. Lack of competitiveness in a highly competitive environment can depreciate the earning ability of an economy. In the international domain, the bilateral and multilateral relationship could hinder economy growth and development. Concentration and inequitable distribution of wealth might serve the purpose of initiating domestic investment and industrialization. In the long run, however, it has an adverse impact on the poor. Foreign domination, viz., assets and opportunities dominated by foreign interests and unfair trade conditions might produce institutional poverty. Ironically, the international fair-trade agreements are far from fair or equitable to the poor nations. Outbreaks of ad hoc events, such as natural disasters, political confrontations, and terrorism have serious impacts on development and poverty. Finally, combinations and carryover / sequential effects

of various factors and incidents can multiply the effect of poverty and be destructive to development.

In the case of Cambodia, poverty is structural, complex and detrimental. According to WB (1999), endemic poverty, war, deprivation, inequitable share of opportunity and wealth, and corruptions are the main causes for its poverty. “Virtually all of Cambodia’s primary resources are now under some kind of unaccountable foreign control.” (Hall and Ringer, 2000:179²⁴²).

The Cambodian economy has been improving gradually since the restoration of peace. Ad hoc events, such as the political upheaval in 1997, the Asian financial crisis in 1998, and the Middle East crisis and US/Japan recession in 2001 have slowed the progress significantly.

Owing to the tropical location of Cambodia and the poor infrastructure, the country and its people are subject to potential natural disasters. For example, the torrential rain at the end of August 2000 caused a large-scale flood disaster to the provinces in the Mekong River basin, resulting in immense human and material damage. More than 480,000 people were afflicted; 74 people were killed; crops and livestock also suffered huge damage. Furthermore, social problems, such as the outbreak of AIDS and STDs, uncontrolled population growth and movements, have fundamental impacts on Cambodia’s development and poverty.

To conclude this short discussion on Cambodia’s poverty, it is worthy to note Hall and Ringer’s (2000:179) argument that “Cambodia need not be a poor country... for it has the potential to be agriculturally self-supporting if political and social conditions stabilize, and the population growth rate ... can be slowed. In addition, international tourism to Cambodia has natural appeal for both the national government, seeking additional sources of revenue, and for tourism industry looking for new opportunities and destinations.”²⁴³ The researcher has great reservations regarding the feasibility of pursuing a self-reliant agrarian economy or industrialization in Cambodia. Hence, tourism could be a more viable option.

Tourism as an Alternative

Poverty is a pressing socio-political issue in Cambodia. Nayan Chanda of Far Eastern Economic Review argued that peace in Cambodia can only be maintained if

economic development plans redressed the deep socio-economic gap within the country and the glaring economic imbalance between Cambodia and its neighbours (Nguyen, 1999:227). As illustrated in the previous sections, however, economic development was subject to barriers such as the lack of infrastructure, the shortage of skilled labours, the lack of domestic savings and investment, and the unstable political environment. Industrialization has been feeble. Given the recent recession of the US, China's entry into the WTO, the economic downturn of Thailand, the labour movement in the country, and most of all, Cambodian's membership in ASEAN, the future of Cambodian industries is clouded. On the one hand, Cambodia has to compete for a shrinking market. On the other hand, Cambodia has to compete with other nations on a so-called "fair and equitable" ground. The agriculture revolution is not promising either. The backward agrarian economy lacks financing, technology and cultivable land for a green revolution. The commercial crops introduced by ADB did not help the rural peasants but rather detached them from the self-sustaining mode of living. With the inherited cultural and natural treasures, tourism is deemed to be the most promising option.

Since independence in 1953, RGC has recognised tourism as a high priority for its economic development and started to invest in infrastructure. Although Cambodia's tourism activities started to grow in late 1960s, the civil turbulent virtually obliterating the industry. "It was not until the return of Prince Sihanouk in 1994 that international arrivals began to increase significantly, growing by an annual average of 30.7 per cent over the period 1994 to 1996. But the expansion of tourism was short-lived and another coup d'état in June 1997 halted the country's economic recovery. As a result, its GDP growth was only 2 per cent in 1997, against 6 per cent in 1996, but more than doubled in 1999 to reach 5 per cent. Tourist arrivals to the country grew by 26.6 per cent in 2000, reaching 466,000 international arrivals, compared to 368,000 in 1999. Moreover, with an average annual growth of 16.2 per cent for the period 1995-2000, Cambodia registered the second best performance in tourist arrivals for South-East Asia after Lao PDR (38 per cent)" WTO.

CNTDP (2000:3) argued, "The relationship between poverty and tourism while widely acknowledged is less well understood." Tourism is being identified by MoT as Cambodia's main opportunity for rebuilding its economy (MoT, 2001)

despite the limitations and barriers discussed in this chapter. Without doubt, the development of tourism in this small LDC will be difficult. Difficulties, however, do not decline Cambodia's attractiveness as a destination given the exotic history and splendid monuments. Most of the respondents believe that once the problems being addressed, have been substantial demand could be expected.

The challenge is to ensure the development of tourism is designed for the reduction of poverty and to help Cambodians themselves "reconnect to a history and geography from which they have been effectively disenfranchised for nearly three decades" (Hall and Ringer, 2000:182). Tourism, as a development agent, is more than simply an economic activity. It is a socio-cultural movement as well as a political intercourse.

The recent development of tourism has been promising, which to certain extent induced MoT's over-confidence²⁴⁴. MoT projected aggressively a 20% annual growth rate for 1999-2000 and 35% for 2001-2002²⁴⁵. The preferential status of tourism has also been reflected in Cambodia's foreign investment regulations and tax incentives²⁴⁶. The actual arrival growth is far more moderate than expected²⁴⁷.

SUMMARY

As a summary, the discussion of tourism, its environment and the development has justified the formation and components of the outer circle of the tourism system model for LDCs. It is clear that the contextual settings, including economic, political, social, and the international environment have a strong influence on development and tourism. The result substantiates the critical importance of foreign aid, assistance and intervention on tourism development of a LDC. Findings authenticate the government's position in the development of an LDC, which will be discussed in more detail in Chapter 6. Health and security issues are also justifiably included in the model. In the next chapter, discussion will focus on evaluating the inner circle of the tourism system model for LDCs.

¹¹⁴ Wilkinson, Paul F. (2002). Personal communication, 3rd September.

¹¹⁵ Currently, Cambodia is a member of ASEAN, CTBTO, ESCAP, FAO, IAEA, IBRD, ICAO, IDA, IFC, IFAD, ILO, IMF, IMO, ITU, LDC, UNO, UNCTAD, UNESCO, UPO, UNIDO, WIPO, and WHO.

¹¹⁶ The regional tension was once sensitive owing to the conflicts of economic interests, political

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- axioms confrontation and arguments on defining borders, for example the conflicts between Vietnam and Mainland China over interest in Indochina.
- ¹¹⁷ Cambodia and the neighbouring countries benefited from the improvement of bilateral relationships and as the intra-regional tourism started to develop within S.E. Asian region. There are still some incidents, which cloud the development. For example, on the 18th March 2001, 28 Thai tourists were sent home after an incident at Angkor Wat¹¹⁷. Mr Oum Heang, Siem Reap Provincial Police Chief, said it was an individual incident but adding that the underlying tension between Thai and Khmer do exist owing to the battles and conflicts between the countries ranging back for thousands of years. Another incident related to the border issues with its neighbouring nations. Six households (half of a village) in Svay Rieng became the centre of a land dispute when Vietnam claimed their rights over the 100 ha of land concerned. The poor documentation of land registration has been defined as the cause. It is, not an individual incident (Törhönen, 2001:414). Although it is not directly related to the tourism development, it clearly indicated the potential tension between nations in the region and the necessity of state intervention in the process of development.
- ¹¹⁸ Personal communication.
- ¹¹⁹ Personal communication.
- ¹²⁰ Personal communication.
- ¹²¹ Personal communication.
- ¹²² Personal communication.
- ¹²³ Personal communication.
- ¹²⁴ Personal communication.
- ¹²⁵ Personal communication.
- ¹²⁶ Personal communication.
- ¹²⁷ Personal communication.
- ¹²⁸ Personal communication.
- ¹²⁹ Personal communication.
- ¹³⁰ Personal communication.
- ¹³¹ Personal communication.
- ¹³² UNTAC involved local expenditure of about 500 million dollars and successfully mobilized another 800 million dollars for rehabilitation (UNRISD, 1994).
- ¹³³ See the section on Poverty for more details.
- ¹³⁴ Retrieved from WWW: <http://www.ocm.gov.kh>
- ¹³⁵ This a common view shared largely by repondnets from NGOs, inter-governmental organizations, government officials and local publics.
- ¹³⁶ Utting's record of the comments from a UNV, who has been involved in the Cambodian project.
- ¹³⁷ World Development Briefing (from email)
- ¹³⁸ Tung Chee Hwa, chief executive of the HKSAR government, described the economic achievement of China under the open-door policy as the biggest economic miracle in the history of mankind in his speech on the 14th General Meeting of the Pacific Economic Co-operation Council (PECC).
- ¹³⁹ Phone and email interviews with local executives and merchants.
- ¹⁴⁰ According to various sources of intelligence, Bangkok used to be a base for illegal smuggling of stolen artefacts and illegal loggings.
- ¹⁴¹ The first meeting was held in Tokyo in July 1996; the second in Paris in July 1997; the third in Tokyo in February 1999 under the auspices of the World Bank; and the fourth in Paris in 2000. The group has met four times since its formation. Participating in the third meeting included 17 countries and six international organizations including the World Bank. At this Meeting, views were exchanged on such topics as Macro-economy, structural reform governance, forest preservation, social programmes (including post-conflict issues), and aid coordination. The donor-countries and international organizations that took part in the Meeting announced new assistance measures totalling about 470 million dollars for Cambodia. Of which, 12 billion yen (approx. 100 million dollars) was coming from Japan. The assistance measures will include (a) assistance for veterans (assistance for the agricultural sector that is expected to absorb veterans, vocational training for reemployment, etc.), (b) landmine clearance and assistance to victims, (c) basic human needs (health and medical care, education, power supply, etc.) and (e) infrastructure (roads, bridges, etc.). The meeting also considered the possibility of extending a loan aid for urgent rehabilitation of Sihanoukville Port, Cambodia's only deep-sea port.
- At the Fourth Consultative Group Meeting for Cambodia held on March 25 and 26 2000 in Paris

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- under the auspices of the World Bank. The Meeting was participated by delegates from 17 countries and 7 international organizations. As a result participating donor countries and international organizations announced new assistance measures totalling about 550 million dollars (about 140 million dollars was allotted by Japan).
- ¹⁴² Anonymous Bouncing back. *Business Asia*. 31(6): 22. 1999 Mar 22.
- ¹⁴³ Krell Maya, *Tourism in Cambodia: a case study*, The Ecumenical Coalition on Third World Tourism, 1990, pp44
- ¹⁴⁴ The coalition government formed in 1993 enjoyed a honeymoon period for about a year or so before the relationship between Prince Ranariddh (First Prime Minister) and Hun Sen (second Prime Minister) burst into serious confrontation and openly competed for the support of armed groups, which included the remnants of the Khmer Rouge. In July 1997 Ranariddh was accused of planning a coup d'état and was dethroned by the CCP's armed coup against him and Ung Hout (FUNCINPEC) was appointed as his replacement. Ranariddh and other opposition politicians were able to return to Cambodia after their exile with the intervention of foreign interests. A new election was organized and conducted in July 1998. As a result, CPP gained 64 seats, FUNCINPEC got 43, and Sam Rainsy Party got 15. The peace progress was marred by a rocket attack and led to a political deadlock until November 13, 1998 when Ranariddh agreed to FUNCINPEC becoming part of a new coalition government. Hun Sen became the Prime Minister, Prince Ranariddh as President of the National Assembly. Sam Rainsy agreed to be the opposition leader and Chea Sim the head of the new Senate. The new Senate was inaugurated on 25th March, 1999.
- ¹⁴⁵ Cambodia Country Strategy and Programme Update 2002-2004
- ¹⁴⁶ View solicited from site visit in December 2000 and via on-going communication with local affiliates.
- ¹⁴⁷ Interview conducted on Angkorean sites in December 2000.
- ¹⁴⁸ The Global briefing is a new dissemination network via Internet and email. The researcher receives this briefing on a regular bases.
- ¹⁴⁹ Meixner, Seth. (2002). Hill-tribe refugees can seek asylum in US, SCMP.com, 1st April 2002.
- ¹⁵⁰ In the Constitution, therefore, clearly stated the contingency in case of serious illness and in event of death of the King. It is a tradition of Cambodia that the succession to the throne is elected. Abided by this tradition, the King is not authorized to designate the successor to his throne. The Council of Throne will choose the new Sovereign.
- ¹⁵¹ Retrieved on 21 March, 2002 from the WWW: <http://usinfo.state.gov>
- ¹⁵² Basil Fernando was awarded the 2001 Gwangju Prize for Human Rights Award.
- ¹⁵³ The Interministerial Technical Committee to Reform the Administration (ITC/RA), its Executive Committee and Permanent Secretariat are the architects of the programme. The immediate objectives of NPRA included to mobilize and coordinate external assistance; to clarify roles and responsibilities; and to inform and seek supports from publics.
- ¹⁵⁴ Retrieved from the WWW: www.ocm.gov.kh/c_med3.htm
- ¹⁵⁵ NPRD was adopted by the Royal Government on 23rd February 1994 and endorsed by the 2nd International Committee on the Reconstruction of Cambodia (ICORC II) in Tokyo on 10-11th March 1994.
- ¹⁵⁶ Reaching the stage of labour market transition, an economy would demand for the intra-regional migration flows of manpower and / or the relocation of unskilled works to countries with abundant supplies of unskilled cheap labours and the supply of materials from within the region
- ¹⁵⁷ Retrieved on Jan 17, 2002 from the WWW: <http://www.adb.org/countries/highlights/cam.asp>.
- ¹⁵⁸ Asian Development Bank (2001) countries highlights. Retrieved from the WWW: <http://www.adb.org/countries/highlights/cam.asp>
- ¹⁵⁹ 33% was calculated based on the arrivals of first eight months of 1999 against the arrivals of the same period in 1998.
- ¹⁶⁰ Until 1987, all foreign trade was monopolized under the state and was overned by annual protocols with CMEA countries. Starting from July 1989, the private sectors are free to establish trading company with a max. of 49% foreign participation. It was September 1993 when all general licensing requirement was eliminated for trade by registered company.
- ¹⁶¹ The multiple official exchange rates was unified in the 1980s but the attempt from the government to control the spread between the official rate and the black market has not been successful.
- ¹⁶² Khieu Samphan proposed the autarky in the form of "self-conscious autonomous development" in his PhD thesis at the University of Montpellier in France in late 1950s. He later becomes the

second man of the Khmer Rouge but his economic proposition was never put into practice in the Pol Pot regime. His work, according to Ear (1995) is “the only serious work on Cambodian economic development by any Khmer.”

¹⁶³ Interviewed in October, 2001 in Hong Kong

¹⁶⁴ Japan has been criticized that its involvement in the region has a hidden agenda, viz., to promote its domestic economic growth and to enhance its influence in the region.

¹⁶⁵ Godfrey et al (2001) and Wager (1995) argued that one of the major missions for international aid is to develop the local capacity. This mission, however, is not fully materialized in the case of Cambodia. Please refer to the section on international intervention and assistance.

¹⁶⁶ According to E.V.K. FitzGerlad (NRISD, 1994), three quarters of the forests was lost to defoliation, the rice paddy field sown with mines, Mekong’s changing course and the lost of human resources.

¹⁶⁷ The Mosher environment, named after Arthur Mosher (1966), is an environment when a country begins to develop by investing heavily into agriculture for cost-saving and efficiency-improving. During this phase of development, agriculture experiences reduced resource extraction because resources are funneled into it instead. “Direct or indirect taxation of agriculture is the only significant source of government revenue.” Timmer, Peter C. “The Agricultural Transformation”, In: Bhardan et al., Handbook of Development Economics Vol. 1, p. 280.

¹⁶⁸ It has been increased from 0.4% in 1980.

¹⁶⁹ Agricultural productivity refers to agricultural value added per agricultural worker, measured in constant 1995 U.S. dollars. Agricultural value added includes that from forestry and fishing. The figures were averaged over a three year period in order to smooth out the fluctuations. (WDR2000/2001: 322)

¹⁷⁰ The gross domestic product by sector at constant 1989 prices indicated that a substantial growth in agricultural output, from 106.8 million riels in 1987 to 131.5 million in 1991. Crops output accounted for most of this growth, from 57.9 million in 1987 to 82.3 million in 1991.

¹⁷¹ There is a continuous drop in agricultures’ prices in the international market. Rice, the main crop of Cambodia, experienced a drop in prices since 1996. For example, high quality long grain (Thai 100%) deflated from US\$330/metric ton in 1996 to US\$300 in 2000 (<http://www.foodmarketexchange.com>). Rubber also experienced a continuous depreciation since 1994.

¹⁷² Interviewed in Hong Kong on September 13, 1999

¹⁷³ Wilson, Karl. (2002). Tack Fat in share boost Apparel firm aims to lift production on strong IPO, Hong Kong iMail, 29th April 2002: B02.

¹⁷⁴ Tack Fat Group International, a jeans and swimware manufacturer, operates 12 and 44 production lines in China and Cambodia respectively.

¹⁷⁵ Retrieved from WWW: www.ocm.gov.kh/c_med3.htm

¹⁷⁶ De Soto, Hernando (2001). The Mystery of Capital. London: Black Swan, pp 1-2.

¹⁷⁷ The opening remarks by H. E. Keat Chhon at the Cambodia: Challenges and Options of Regional Economic Integration Conference on 27th October, 1997.

¹⁷⁸ Regional economic integration, according to de Melo & Panagariya (1993: Cited in Toshiyasu et al, 1998), can be sub-divided into modest regional integration and deep regional integration. The level is somewhat determined by the trade agreement among members. Preferential trade arrangement (PTA) is an example of the modest integration under which lower tariffs are imposed on member states’ importation. Free trade area (FTA) is an agreement of zero tariffs.

¹⁷⁹ Toshiyasu et al (1998: 5) defined deep integration as attempts “envisages either a customs union, in which members set a common external tariff, or a common market, in which free movement across national boundaries is established for capital, labour, services and firms, in addition to the trade of goods.” This objective, however, would be a long-term future goal even if the current hurdles can be overcome.

¹⁸⁰ Cambodia’s preparation began in 1996.

¹⁸¹ The biggest FDI is in services and construction (61%).

¹⁸² Chea Chanta, Cambodian Minister of Planning at 1996 ADB Conference on the Greater Mekong Subregion (Nguyen, 1999:215)

¹⁸³ Cited in Chan et al, 1998.

¹⁸⁴ The annual inflation between 1990 and 1992 was high as 120% (UNRISD, 1994).

¹⁸⁵ As at 2000, the average monthly wages for a policeman is still around US\$20 and the basic necessities requirement in urban cities required around US\$60. The shortage of source of income, therefore, has to be made up by other sources. According to the local intelligence, you

can buy services or police supply from policeman. The researcher actually comes across a couple of incidents of policemen wanting to sell their badges and uniforms. Other sources of local intelligence also suggested that there are police forces actively involved in heritage looting, smuggling and other illegal transactions.

¹⁸⁶ Retrieved from WWW: <http://www.adb.org/countries/hgihlights/cam.asp>

¹⁸⁷ Retrieved on April 12, 2002 from WWW: www.oc.gov.kh/c_ial.htm

¹⁸⁸ The Royal Kingdom of Cambodia Homepage. Retrieved from WWW: www.ocm.gov.kh/c_med3.htm

¹⁸⁹ The Royal Government of Cambodia Homepage. Retrieved from WWW: www.ocm.gov.kh/c_med1.htm

¹⁹⁰ Statistics from CAMCONTROL. Retrieved from WWW: www.camcontrol.gov.kh

¹⁹¹ Bank of America Corporation, (2001). Global Financial Markets Outlook, December 2001.

¹⁹² No official record is available on the number of death during the Pol Pot regime. Cutris (1998) estimated that there are more than 700,000 persons killed and millions became refugees. The local intelligence, on the other hand, is more inclined to believe 2.5 million people vanished because of the civil turmoil.

¹⁹³ According to Shawcross (1994, Cited in: Australian Department of Foreign Affairs and Trade, 1997. The New ASEANs, BHP, Australia), only 43 physicians were left in Cambodia and life expectancy dropped to around 31 years in 1979.

¹⁹⁴ According to PRK's record (Athukorala et al, 2000:61), population was estimated to be less than 7 million in 1981, nearly 8 million in 1987, and 8.8 million in 1992 (UNTAC estimated for the purpose of election, 9.2 million for the year 1992). The survey conducted in March 1996 came up with an estimation of 10.7 million.

¹⁹⁵ According to the Australian Department of Foreign Affairs and Trade (2001), it is difficult to have a realistic estimation on the annual growth rate of the population because of the lack of data regarding birth, death and migrations. Their estimation is at around 2.5% annually.

¹⁹⁶ The Khmer Language indicates its influence from the Indian and Thai languages. The Khmer alphabet consisted of 33 consonants and 48 vowels, and is a difficult language for foreigners to learn.

¹⁹⁷ The distribution of employment in May to June 1996 is based on the National Institute of Statistics, Socio-Economic Survey of Cambodia – 1996, Phnom Penh (cited in Athukorala et al, 2000:62). It is dated but the latest available information. Although this figure is dated, current statistic are unavailable and the situation, according to local respondents, is very much the same.

¹⁹⁸ During good times before the down turn, factories always have positions awaiting and workers have to work a 10 to 12 shift daily. In 2002, many workers actually lost their job and a typical workday is reduced to less than 8 hours. In certain cases, workers had 4-hours workdays and income reduced proportionally.

¹⁹⁹ Friends is an international aid group

²⁰⁰ For example, a group of foreign aid workers established Cambodia's first Condom Café on December 12, 2001 for promoting safe sex and dealing with sexually transmitted diseases and offering counselling services (SCMP, December 1, 2001).

²⁰¹ Foreign aids workers' comment as reported in SCMP (SCMP.com, 2001/12/1).

²⁰² Since the disease broke out some twenty year ago, 21.8 million people died because of AIDS and among which 4.3 million are children. 36.1 million people are carrying the virus. UNAIDS/WHO estimated that in the year 2000 alone, there were 5.3 million people newly infected (Avert, 2001. retrieve December 7, 2001 from WWW: [Http://www.avert.org/aroundworld.htm](http://www.avert.org/aroundworld.htm)).

²⁰³ "The diversity of the AIDS epidemic is even greater in Asia than in Africa. The epidemic is also more recent and many Asian countries lack accurate systems for monitoring the spread of HIV. This means that the estimates of HIV infection in Asia are often based on less information than in other regions" (Avert, 2001).

²⁰⁴ Anonymous. 1999. Focus group interview.

²⁰⁵ A significant portion of the children patients were infected via vertical transmissions.

²⁰⁶ It has been generally expressed as a concern for the respondents who visit, work, and invested in the country. In a visit to a factory in the sub-urban area near Phnom Penh in 1998, the researcher witnessed the security system this Hong Kong investor has imposed for his factory. Guards armed with machine guns were ordered to fire at will once any unknown person approached the factory after e nightfall. The owner himself was equipped with armed bodyguards at all time throughout the day, even when he was using the bathroom. This

respondent reported that it was not an exceptional arrangement. To his knowledge, many foreign investors, especially those who were Chinese, did the same.

207 Anonymous. 1999. Focus group interview.

208 Anonymous. 1999. Focus group interview.

209 Ibid.

210 Khmer Rouge is a social upheaval of peasants against marginalization and poverty.

211 This section based on intelligence from private sources. Owing to the sensitive nature of the subject, informants were not identified in the thesis.

212 CIA Factbook as at 2nd May 2002

213 Intelligence from unreleased sources.

214 This section is based on site visits, interviews and archives on the internet, such as www.Cambodia-web.net; www.law-kh.com; and www.khmer.net

215 Talk by and interview with Professor Yamashita on September 28, 2000 in Hong Kong

216 Travel Industry Association of America, Press Release, 2nd January, 2002, being posted on Trinet communications

217 According to TIA's report, Historic/Cultural Traveler: The 2001 Edition, nearly 93 million Americans say they included at least one cultural, arts, heritage or historic activity or event while travelling in the year 2001, and this group has tremendous economic potential for the travel and tourism industry. Many travellers, 32% of the 29.6 million travellers, extend their trips specifically to participate in cultural and/or historic events and activities. The report also revealed that this group of travellers spends, on average, \$631 per trip compared to \$457 for all U.S. travellers, excluding transportation to the destination. Comparing to the overall travellers, historic/cultural travellers tend to take longer trips, are more likely to fly, participate in more activities while travelling, and stay more often in hotels, motels and bed & breakfast establishments.

218 Personal Communication.

219 Proeung Chhieng

220 From focus group C and D.

221 Proeung Chhiebg is a former member of the Royal dancer and the Dean of the Choreographic Arts Faculty at the Royal University of Fine Arts in Phnom Penh

222 His first pay was only 25 riels. Even today the income of a dancer is far from attractive.

223 For example, The Guardian's (Charlottetown) case on Prince Edward Island being posted on Trinet communication revealed that the crafts and giftware industry is estimated to worth \$33 million to the P.E.I. economy annually and is closely tied to the tourism industry. To help local crafts people make money with their products, the Tourism Industry Association of Prince Edward Island (TIAPEI), presents a one-day session each month, covering topics such as trends, new product design and taking product to market. The programme runs from January to June 2002, and is funded by a partnership between federal and provincial governments and the TIAPEI. The Guardian (Charlottetown), 3 January 2002, p. C1

224 A common view shared by the four focus groups.

225 Solicited from focus group C.

226 The Sobbhana Foundation is founded by Princess Norodom Mari Ranafiddh in 1983. The foundation is named after the royal Aunt of King Norodom Sihanouk, Samdech Rasmi Sobbhana who dedicated her life to social action. The foundation originally was for providing shelter for war prphans in refugee camps on the Thai border. It extended its services to operate three training centers in Phnom Penh for providing training on traditional crafts, such as silk weaving, embroidery, sewing basket making, and woodcarving.

227 Angkor Wat was inscribed under the World Heritage Convention according to the following criteria. (1) Angkor represents a unique artistic achievement, a masterpiece of creative genius; (2) It has exerted great influence over a span of time, within a cultural area of the world, on developments in architecture, monumental arts and landscaping; (3) It bears a unique exceptional testimony to a civilization which has disappeared; and (4) It is an outstanding example of an architectural ensemble which illustrates a significant stage in history (Wager, 1995:515)

228 According to historical documents, the inner walls of the temple and palace were once covered by gold, perhaps bronze, and decorated with precious stones. Since the stone components are not cemented, the metal inner wall has the function of securing the structure of the building, other than mere decorative purpose. The metal and gem were long gone. Leaving the inner walls of the building a rough sand stone surface with a lot of punched holes.

229 ESI is a measure of the concerned nation's overall progress towards environmental sustainability.

- 142 countries were included in the study. ESI is based on a set of 20 core indicators, each of which combines two to eight variables for a total of 68 underlying variables. The higher the ESI score, the better the nation in maintaining favourable environmental conditions into the future.
- ²³⁰ The score of components are presented as standard normal percentiles, ranking from a theoretical zero to the highest 100. The score for the indicators on the other hand are in the form of z-scores. +1 and -1 represent one standard deviation above and below the meas.
- ²³¹ The Ministry of Environment was formed in the late of 1993 by the Royal Government of Cambodia which has been led by MOK MARETH, Minister of Environment.
- ²³² The International Development Research Centre's (IDRC) report, Retrieved from WWW: http://www.idrc.ca/reports/read_cntryprof.cfm?ovr_id=39
- ²³³ The "swidden" farming, the most traditional and sustainable mode of agriculture has been threatened by the deforestation.
- ²³⁴ Jake Brunner is a senior director for mainland Asia at the Washington-based Conservation International.
- ²³⁵ Wildlife experts suspected that a very small population might be living in the Kaeng Krachan National Park of Thailand, Cambodia and remote area of Laos.
- ²³⁶ World Geographic, issue no. 231
- ²³⁷ Endanger species included Indochinese tiger, Asian elephant, and Siamese crocodile.
- ²³⁸ Joern Kristensen is the chief executive of the the Mekong River Commission.
- ²³⁹ Cambodia's population doubled in the past 20 years and is expected to double by 2020 (Cochrane, 2002).
- ²⁴⁰ foreword to the World Development Report 2000/2001
- ²⁴¹ The impacts of poverty are vast and various. One of which is the malnutrition hitting the children. According to Roger Moore, as a Unicef goodwill ambassador, "the greatest tragedy of malnutrition is that it prevents children from reaching their full potential." According to a Unicef's survey from 1995-2000, Cambodia is one of the countries worst affected by malnutrition. 46% of the children under five are malnourished. This has a direct impact on the tourism development as well. The short life expectance, the poor health conditions of people, and the vulnerability to diseases became burden to both the government and investors. The devastating impacts on tourism development will be discussed more thoroughly in the section of obstacles to tourism development. (Ap, Sue Leeman. (2002). Developing nation kids hit by malnutrition, Hong Kong iMail, 19th March, 2002.)
- ²⁴² in Hall and Page, 2000
- ²⁴³ in Hall and Page (2000:179)
- ²⁴⁴ The optimistic projection of tourist growth is based on 5 rationales, viz., (1) the attraction of Angkorean monuments; (2) proximity to major destinations; (3) economic recovery in the region; (4) restoration of peace; and (5) funded improvement programmes.
- ²⁴⁵ US Department of Commerce-National Trade Data Bank. (2000). *Tourism Sector: Cambodia. Tradeport*, November 3, Retrieved September 4, 2002 from the World Wide Web: <http://www.tradeport.org/ts/countries/Cambodia/mrr/mark0023.html>
- ²⁴⁶ Tourism investors are eligible for a range of incentives including a tax holiday of up to 8 years and a permanent 9% corporate profit tax after the tax holiday. Duty exemption for imports of capital goods and other materials for use in tourism related projects.
- ²⁴⁷ Intelligence was collected from local sources. Hard data, however, are not yet available by the deadline.

Chapter 6:

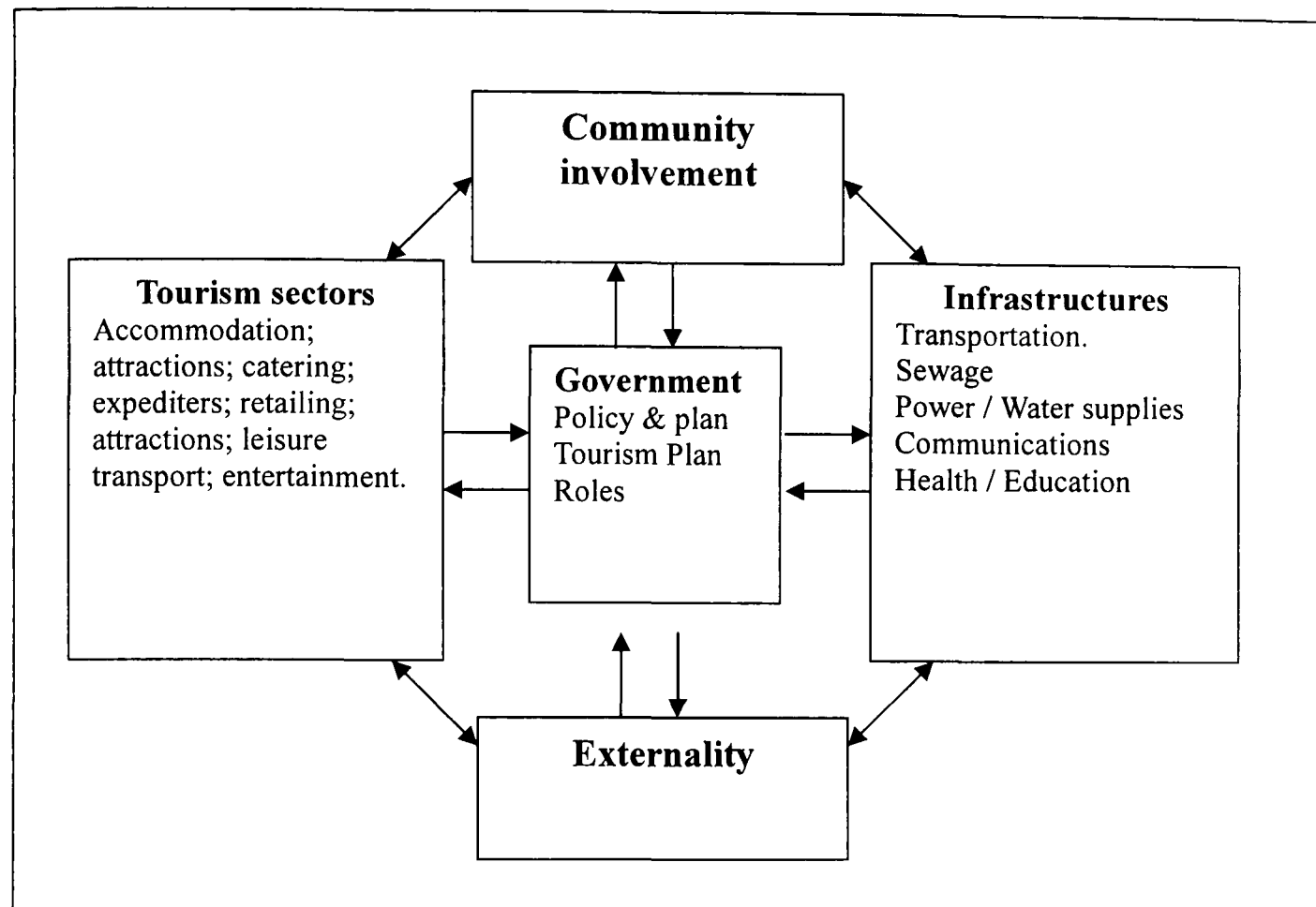
An assessment of Cambodia's tourism system and resources

THE TOURISM SYSTEM OF CAMBODIA

The model of a tourism system for LDC proposed in this thesis consisting of two circles: the outer contextual circle and the inner logistic circle. The contextual setting of the tourism system, i.e. the outer circle, was discussed in detail and justified in Chapter 5 to explain why those environmental factors influence the logistic part of the system. This chapter focuses on the Cambodian tourism operations and the assessment of the current tourism resources of the country by applying the model.

This inner circle of the model incorporated five major components: governance; infrastructure; tourism sector, community involvement; and external intervention. For editorial convenience, foreign intervention has been combined and discussed with the international political environment in Chapter 5. This chapter, therefore, will continue with the Third Sector and the other four components.

Figure 6.1: The Logistic Circle (inner circle) of Tourism System in Cambodia



GOVERNMENT SECTOR

Tourism is a complex social function of political, economic, environmental, and social importance. The government's challenge is to determine which role(s) and to what extent it should be involved in the process of development. There are serious arguments between government intervention and the free-market mechanism.

The assumption that an invisible hand of the free market will regulate the economy and bring the most benefits to LDCs is risky. The market-led mechanism is subject to certain conditions (Sen 1999:9), such as the reasonable access to opportunities and essential public goods, viz., health care, basic education, and a widely shared command over elementary resources. In the context of LDCs in general, as Sen (1999:10) argued, "the need for public policy initiatives in creating social opportunities is crucially important." Public goods and opportunities, however, are often scant in LDCs. The government, therefore, is obligated to provide public goods and opportunities, which are credentials for social change and development. Without appropriate public policies, these "rights" would become the "privileges" of a few.

Gerschenkron (1962²⁴⁸) also asserted that the presence of financial institutions and the status of industrialization determined the level of state intervention in the process of development, which implies government intervention is determined by contextual factors. Even when there are needs for enhancing markets' functions, the development requires careful and determined public action going well beyond the simple fostering of markets (Sen, 1999). Problems such as inadequate preparedness to make use of market transaction mechanisms, the unconstrained concealment of information, and unregulated capitalization of knowledge and resources, would lead to the failure of the market mechanism. The government's involvement, therefore, is complementary and critical to rather than conflicting with a "market mechanism."

National planning is extremely difficult in Cambodia owing to the unstable and unpredictable internal and external environments²⁴⁹, the sources and technical limitations. The first five-year plan (1986-1990) was constructed under all these constraints. The main objective of the plan was to increase the output of food (agriculture), rubber, timber and fisheries.

New economic laws, following the Vietnamese model, allowed and encouraged foreign investment in joint-venture projects. In May 1989, a new law, The Cambodian Property Law, was passed through parliament for the protection of private property. In the same year, Khmers were allotted the right to leave the country while the overseas Khmers were allowed to come back to live in the country in order to promote the acquisition of knowledge and the return of overseas Khmer capital. Since then, the RGC has promulgated various laws and regulations, including the Law on Investment 1994, the Law on Foreign Exchange 1992, and the Land Law 1992, to enhance the rule of law, to attract and to regulate investments.

The Cambodian government's development plan is driven by three important axioms: international integration, market-led capitalism, and development via industrialization. The RGC's determination to integrate into the international arena can be rationalized by political, economic and emotional considerations. The pursuit of a market economy can also be regarded as part of the international integration programme. Partly for complying with the requirement of international trade bodies and partly for the influence of foreign nations and international agents,

Cambodia follows the “oath” for liberalizing the economy and minimizing the government’s intervention.

Although the RGC is still very keen on industrialization, various limitations have restrained its attainability. During interviews with foreign investors in Phnom Penh, Cambodia was described as “unfavourable” or “unattractive” for investment, especially for industrial projects, which require intensive supply chain and infrastructure that were not available. Tourism is being pinpointed as the “preferred” strategic direction, at least in the near future until industrial infrastructures and peripheral industries have been developed.

The role of RGC in development has been documented in NPRD as “strategist” and “manager” of the development programme. The RGC is required to establish strategies for national rehabilitation and development, and is expected to lead, encourage, coordinate, facilitate and monitor through indirect means such as legislation, regulations, rules and macroeconomic instruments such as fiscal and monetary policies. It is also stated in the programme that the RGC should not compete with the private sector but create proper social, economic and physical infrastructure environments to install a healthy private sector for the modernization and economic development of the country.

Figure 6.2: The Six Operational Field in the National Programme to Rehabilitate and Develop Cambodia

1. To establish the Kingdom as a “State of Law”:
 - the reform of State institutions and the remodelling of the civil service so that becomes politically neutral and so that its efficiency is improved, and the delivery of public services is improved and extended; and
 - the enactment and amending of laws and regulations to reflect the realities and needs of a liberal market economy, as well as to create an environment conducive to the progress of a demographic society, and particularly one which guarantees human rights and social justice, including private ownership, the sanctity of contracts, fairness and equity.
2. To stabilize and structurally adjust the economy so as to achieve annual GDP growth of 7-8%;
3. To develop local capacity via improvements in education, technology transfer and health care;
4. To rehabilitate and build infrastructure and public facilities;
5. To reintegrate into the regional and global economies; and
6. To act as a catalyst for rural development and to install sustainable management of natural resources and the environment.

Sources: The Royal Kingdom of Cambodia homepage (www.ocm.gov.kh/c_med3.htm)

NPRD expects the private sector, as a “partner,” to be the driving force in achieving the national goals of development, sustaining social equity and justice, and in resolving and eradicating the problem of poverty. It also believes that this can be attended to by sustainable economic development, sustainable human resources development, and sustainable use of natural resources. As illustrated in the “Schematic Overview of the NPRD”, there are six critical objectives for the RGC (see Figure 6.2). The provisions illustrated the importance of the integration of various components and set a context for the tourism operation under which government would have to play an active role in governing the development. The development of tourism as an economic activity has to synchronize with the other economic developments and the development of the remaining fields.

RGC’s mission, in cooperation with international forces, is to liberalize the economy. The government feels obligated to transform the centrally planned economy into a market economy. In the process, Cambodia experienced a series of problems, which are analogous to other developing countries. The wish to liberalize the economy and to accomplish development was an attempt to achieve

two goals simultaneously but end up losing them both. Globalization, market capitalism and the liberalization of the economy are beyond the scope of this thesis so the following discussion is delimited within the tourism arena.

Figure 6.3: 14 institutional and cultural requirements for an effective private market

1. Trust (in banks, insurance companies, suppliers, etc)
2. Law and order (enforcement of contracts)
3. Security of persons and of property
4. Balancing competition with cooperation (for a safe workplace and a cleaner environment)
5. Division of responsibility and diffusion of power (an independent judiciary)
6. Community altruism (a social “safety net” for the impaired, chronically unemployed, the elderly, etc.)
7. Social mobility, legitimisation of ambition, and toleration of competitiveness
8. Materialistic values as a stimulus to greater production
9. Deferring gratification to generate private savings
10. Rationality unconstrained by tradition
11. Honesty in government
12. Efficient forms of competition, as opposed to monopolistic control
13. Freedom of information (along with protection of privacy)
14. Flows of information without restrictions or favouritism.

Source: Keyfitz and Dorfman, 1991 in Todaro 2000:642.

While Keynes seriously challenged the classical economists on an economy’s self-correcting ability, the notion of laissez-faire is still worshiped as a pillar of capitalism. The government cannot afford to wash its hand off the development of tourism, especially in an LDC setting. Keyfitz and Dorgman (1991) suggested a list of fourteen basic requirements or conditions for an effective private market (see Figure 6.3). Most of these prerequisites, as witnessed, are yet to develop in Cambodia. In other words, government before ‘transferring’ to the market should assess the domestic economy’s readiness. In the case of tourism development, a government should have policies for tourism both at the national and local level. It should strategically guide the development of tourism and restrict the role of the private sector for conservation and social purposes (Esichaikul and Baum, 1998:359).

Upon deregulation later, the “trajectory of tourism development” is set and local investment promoted.

Various key informants, such as Yamakawa (1999, 2000), Xu (2000), Veng (2000), Jamieson, (2001), and Tan (1999), concurred with the necessity of RGC’s active involvement for the following reasons. First, the development of tourism should be for the alleviation of poverty and the improvement of living standards in general. Solely relying on the market mechanism to determine allocation of resources might not be able to serve the purpose of maintaining an equitable distribution. Tourist development in Cambodia has not been creating substantial opportunities for the local public. Foreign investment came to take the advantage offered by the government to develop competitive merits, which became entry barriers to local investors. They control the creation of wealth but may not reinvest their profit locally. The demand for land and local resources, under the poor land administration system, in fact, enhanced the problem of landlessness. The growth in GDP does not guarantee betterment of living standards of the public. Local communities were further marginalized within the new economic system. This created and enhanced political tension and might led to turmoil. The government as such needs to ensure a more equitable distribution of wealth and act as the provider of a social safety net to ensure that the poor can survive development through the redistribution of income.

Second, tourism development requires investment. Domestic savings in Cambodia, however, are critically scant (Anon., 1998). This restrains the locals from taking advantage of tourism development and limits the potential economic growth catalysed by the initial FDI projects. In order to sustain the growth, the government might have to act, as a facilitator to promote local involvement and an investor of the basic infrastructure. Since the government is short in income, investment comes from foreign aid and assistance while RGC act as the coordinator of these resources.

Third, tourism has various impacts on the local environment. In order to regulate the development and to gauge the benefits tourism to the appropriate sectors, the government has to take an active role to regulate, control, monitor and manipulate tourism development, its direction, mode, pace and impacts (Chung.

2000). For example, many important cultural heritages require extensive care and protection but might not have an equally important market value. The government's involvement, therefore, is critical for the survival of these assets.

Fourth, tourism, as argued in this thesis, is a system network, which incorporates various partners and players, viz., local communities, the FDI, external interventions and the tourism private sector. Effective planning and management mechanisms are, therefore, critical (see also Wall, 1997; and Butler, 2000). These various parties, however, have their own missions and objectives, which may not be in synergy with the national developmental goals. The fragmented nature of the industry, the readiness of the local people, the uncoordinated public sectors, the private agenda of international intervention, and the detachment of private sector from a destination have detrimental impacts on sustainability. Given the inherent drawbacks of the complicated tourism operation, government's involvement in planning and managing tourism development seems necessary. An additional point for consideration is the paucity and weakness of domestic institutions. Government, therefore, became the most appropriate institute for planning and managing the development of tourism.

Tourism also embraces the dynamic and paradox of change (Butler, 1997:109²⁵⁰). Changes brought by development might transform the destination from its original concept. Changes could be the key to sustainability of tourism development and growth since it rejuvenates the image and maintains the attractiveness of the destination. It might also be a source of grievances and social disorder. This is the reason why Jamieson (2000) argued for the urgency to empower a tourism plan with inter-jurisdictional status to bring the various sectors together harmoniously, to push tourism development to its full potential in dealing with problems such as poverty. Central government is the only authority that can empower it by a top-down plan.

It is beyond the scope of the thesis to debate the merits of a market or a planned economy. Yet, it is critical to understand that both the market and the state have critical and irreplaceable roles to play (World Bank, 1991). It is also fundamental to recognize the possible faults for the government failures and the preconditions for free market to function. For example, Keyfitz and Dorfman (1991)²⁵¹ listed 14

institutional and cultural requirements for the effective private markets (see Figure 6.4) and 11 market-facilitating legal and economic practices for an effectively functioning market system (see Figure 6.5). When most of these preconditions and requirements have not been met in an LDC like Cambodia, a centralized planning mechanism is needed.

Figure 6.4: 11 marketing-facilitating legal and economic practices

1. Property rights clearly established and demarcated; procedures for establishing property right and transferring them.
2. Commercial law and courts to enforce it, especially contract and bankruptcy laws.
3. Freedom to establish businesses in all sectors except those with significant externalities, without excessive licensing requirements: analogous freedom to enter trades and professions and to attain government offices (equal economic opportunity).
4. A stable currency and a reliable and efficient system for making transfers (a banking system).
5. Public supervision or operation of natural monopolies (industries with increasing returns to scale) as occurs in industries where technological efficiency requires that a firm be large enough to supply 10% to 15% of the national market.
6. Provision of adequate information in every market about the characteristics of the products offered and the state of supply and demand, to both buyers and sellers.
7. Autonomous tastes- protection of consumers' preferences from influence by producers and purveyors.
8. Public management of externalities (both harmful and beneficial) and provision of public goods.
9. Instruments for executing stabilizing monetary and fiscal policies.
10. Safety nets – provisions for maintaining adequate consumption for individuals affected by certain economic misfortunes, especially involuntary unemployment, industrial injuries, and work disabilities.
11. Encouragements to innovations, in particular, insurance and enforcement of patents and copyrights.

Source: Keyfitz and Dorfman, 1991 in Todaro 2000:642-643.

The intervention of government in tourism development has three main purposes: to gear the direction of development in accomplishment of designated objectives; to protect the rights of the minorities; and to ensure that development is delivered to the host population. As Harrison concerned (in Dieke, 2000), the host population

is often the victim of tourism development rather than the beneficiary. Traditionally, the market-led mechanism and governance were regarded as mutually exclusive. They, in fact, complement one another.

Tourism Policy and Strategies

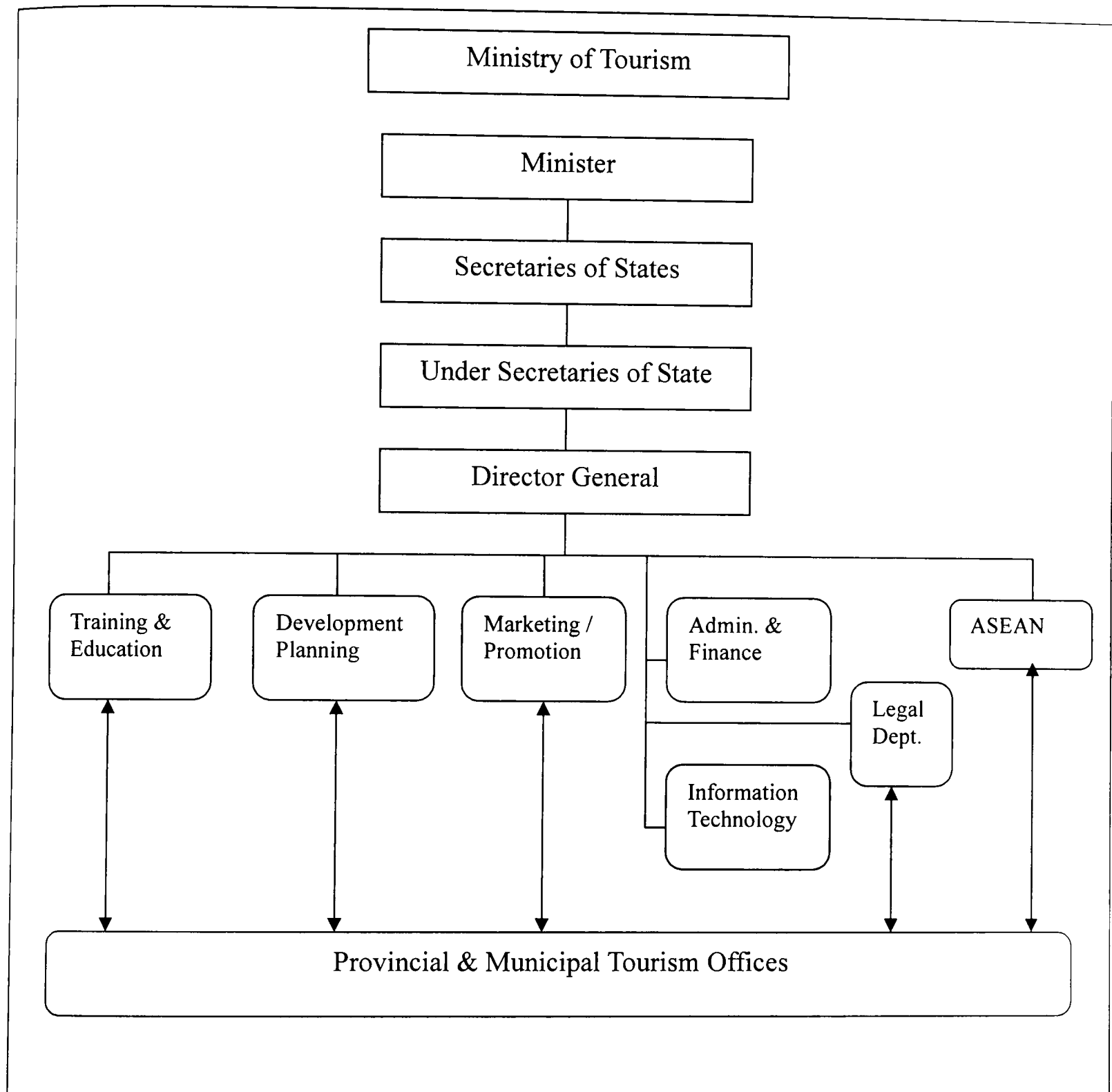
Tourism planning, policy and strategies are new to the RGC. The sector was originally excluded from the 1986-1990 five-year plan but added later by the order of Prime Minister Hung Sen as the fifth “income target”. For the five-year period, from 1986 to 1990, tourism did not enjoy a prestigious status. Owing to the extreme lack of back-up facilities, the tourism development was FDI-led.

Tourism Authority – MoT (Ministry of Tourism)

“The Ministry of Tourism is the key Government organization responsible for guiding tourism development and managing all aspects of the tourism sector.” WTO

The Ministry of Tourism of Cambodia (MoT) is meant to be the centralized authority with responsibility for managing and coordinating tourism development. The ministry is composed of seven units, viz., Training and Education; Development Planning; Marketing and Promotion; Administration and Finance; Legal; Information Technology; and ASEAN.

Figure 6.5: The Structure of MOT



Source: CNTDP (2000:9).

A specific division was established to strengthen tourism planning²⁵². Although it is not clear how the division actually work, it is apparent that the formation and functions of MoT is very much influenced by foreign aid and assistance.

Jamieson (2001)²⁵³ commented that the MoT is overstaffed, ineffective and extremely inefficient. Just as with many other governmental offices, staff members are engaging in many moonlighting activities. Plans and policies rarely materialize. Unless fundamental reform takes place in the civil service system, the MoT could be more of a barrier than facilitator in the development of tourism. These comments

are widely endorsed by informants from the tourism private sector and the Third Sector (for example, Yamakawa, 1999; Chung, 1999, Tan, 2000). Jamieson (2000) argued that the coordinated effort of various divisions of the government from high to low level and across different ministries are essential to the success of tourism. Currently, it is a difficult mission in Cambodia. The lack of skill and technology, the shortage of financing, political tension and affiliation, the lack of equipment and information, and the high degree of moonlighting, corruption and favouritism, and the uncertainty related to the upcoming election are just a few issues that have to be deal with.

Jamieson (2000) and other informants suggested the necessity of reconstructing the MoT. Establishing a new Ministry Cabinet Technical Advisory Unit and two functional units was also recommended. These recommendations are crucial for the development of governance capacity, widening of the functional areas and enhancement of its quality.

Esichaikul and Baum (1998) identified some basic problems within the government section in related to tourism development, such as 1) policies and plans are approved but no implementation takes place; 2) the short-sighted concerns of the government bureaucracy; 3) the lack of tourism knowledge and skills; 4) *departmentalism* and narrow expertise; 5) the negative, or even scornful, attitude against tourism; and 6) the unproductive relationship with the private sector makes it difficult to accomplish developmental objectives in an effective and sustainable manner. These problems are confirmed in Cambodia as well. For example, the lack of implementation, the relative short-sighted concerns and the lack of tourism knowledge and skill have also been witnessed in Cambodia. Rather than departmentalism, political factional affiliation seems to be a more critical issue to tourism development. The tourism success in Thailand, Vietnam and China shows that most of the resistance of the public, including the government and media, against tourism can be overcome. The relationship between the government and the private sector is somewhat more complicated in Cambodia, as will be illustrated with more details in the next section.

Another problem with tourism development is the communication between state and local governments. The central government's policy, on certain occasions, did

not receive the critical support from the provincial authorities. This was especially obvious at the early years after the restoration of peace. The lack of implementation at the provincial level, according to local respondents, is the combined result of the lack of financing, shortage of manpower and skills, and political uncooperativeness.

There was no strategic plan for developing tourism in Cambodia until very recently. Although tourism has emerged to be one of the most promising sources of income to the country, it was only in 2001 when the government, with the assistance of a group of foreign advisers, drafted the first tourism development master plan. This master plan incorporated an environmental assessment and featured a list of recommendations to the development of tourism and the reengineering of the tourism authorities. Many of these recommendations are critical and specific to the problems of Cambodia. As Jamieson queried, it is difficult to tell how many of these recommendations would be implemented. Besides this master plan, there is an internal draft of a tourism plan, which is written in Khmer²⁵⁴.

Although the discussion here illustrated a relatively negative situation for tourism to development in Cambodia, it is also apparent that most of these obstacles are administrative in nature. In other words, they can be rectified. Despite difficulties such as political tensions and resistance could be expected, tourism development is attainable.

Relationship and Cooperation between Government, Public and Private Sectors

The relationship between the public (the government) and the private sectors can be described as problematic in Cambodia. Findings confirmed partially Elliott's list of factors that affects the public-private relationship (Esichaikul and Baum, 1998). First, the non-complementary objectives and interests between the parties created conflicts and even confrontations. While the private businesses are profit-oriented, NGOs have their specific mission and goals, and are sometimes supercilious to others' parties. Hence, as Elliott suggested, they did not understand the political and bureaucratic objectives or constraints. In various discussions with industrial informants, they expressed their reservations on and sometimes grievances

against the tourism and public policies. Most of the informants from the business sector, however, claimed that gradually they had learnt to work with the bureaucracy.

Second, tourism is a fragmented industry within which communication and cooperation is poor. This is aggravated further by the failure to establish a united position when dealing with government. There is no trade union or association. Businesses tend to work on their own and rarely communicate or cooperate with one another. Some businesses enjoy a much better relationship with government. Still, they suggest that their influence in affecting government policy is minimal. Jamieson (2002) even argued that the Cambodia private tourism sector does not exist.

Elliott's proposition that misconduct of private business projected a poor image for tourism, however, was not supported by critical evidence in Cambodia. Although local intelligence suggested that tourists are one of the causes for the wide spread of prostitution and its negative impacts, there is insufficient proof to confirm that the development and business operations have given tourism a bad name so far. The lack of long term commitment of the industry to the development of the tourism and the country, however, has detrimental impacts on tourism as a development agent. For example, the hoteliers are generally lacking a sense of the need to develop local capacities. They would prefer to import skilled labour, which adversely affected technology transfer and makes Cambodian tourism business reliant on the importation of labour.

Government being regarded as inefficient by the private sector because of failures of implementation and unnecessary delays²⁵⁵ were evident. Owing to the paucity of finance and the shortage of manpower, delays and lack of implementation are common phenomena in the Cambodian government sector. Furthermore, everything in Cambodia is political. Brunner, in his interview with Grossman (2002) on logging control, suggested that the military were involved in almost everything. "Their influence was pervasive and it remains strong. One of our challenges in south-western Cambodia has been to neutralize the effect of the military. We believe if you didn't sort of cut off the top of the pyramid, the generals and other officers who are making money out of the system, you had no

sort of freedom or political space on the ground...”

Lastly, industry found it difficult to deal with the government owing to its diversity, complexity and conservatism. Informants from the business community commented that it is a common phenomenon in Asian countries and the situation in Cambodia is not particularly different. They also suggested that they have learned means by which they can extricate themselves from trouble. Conversely, informants from non-profit oriented organizations have a much stronger position in this regard. Their complaints largely relate to the inefficiency and “non-responding” behaviours of the government, which makes their work difficult.

On top of Elliot’s arguments, a few additional issues were found in this study, which include corruption, lack of knowledge, security and consistence, and the language barrier. All these administrative issues have a direct impact on tourism policy, administration and development.

Among all these barriers and obstacles, communication barriers or the gap between government and the private business sector are critical. These barriers include not only language but also conflicts of interests, the diversified, and at times polarized, objectives and missions, and the lack of communication channels. Therefore, the two sectors simply fail to enjoy a cooperative relationship.

Administrative is seriously inefficient. According to the respondents from the business sector, corruption is severe and extends to almost every walk of life in Cambodia. Nonetheless, most of them do not regard this as a serious barrier to their business operations. They generally agree that if bribery can provide convenience, it can be regarded as an operational expenditure, an investment for relationships and even an advantage to take. Some of them suggested that they have seen worse cases elsewhere. As such, the situation in Cambodia is expected by the private sector and regarded as normal. The local public holds divergent opinions. They are, to a very large extent, scornful of the government officials, in particular, the police.

Tourism Politics

Tourism is a political issue and tourism management incurs a series of policy decisions that determines what the government will and will not do. Tourism is a

public policy and the government is on behalf of the whole society. It involves political considerations and efficient public administration to ensure its benefits are maximized while damage kept to a minimum. Richter (1989:18-19) argued, "Research has bypassed the political reasons that tourism is pursued and developed in ways often seen as dysfunctional in economic and social terms. Seldom are policies scrutinized in terms of what Harold Lasswell argued as the core issues of policies – who gets what, when, and how. Seldom is tourism considered in terms of the political needs of those who wield power of the government as a whole.... No social science discipline has evinced less interest in tourism than political science." The multi-disciplinary "tourism science" will be incomplete and imperfect without taking into consideration the system's political ingredient (Kosters 1984:610) (see Chapter 6 for discussion on international and external political environment of Cambodia).

Tourism policy and tourism public policy have gained greater attention especially when the public is made more aware of the impact tourism might have on the hosting communities and environments. Policy, Hall (2000) argued, is the process of determining and implementing the selective courses for accomplishing the goals and objectives set out in the national plan. Cambodia's tourism policies are established to ensure the long-term viability and effectiveness of tourism and development.

The study of tourism policy in the context of a political, social and economic setting is not a new concept yet it remains an important arena. Prior works, including Hall (1994), Hall and Jenkins (1995), Kosters (1984), Richter (1985 & 1989) and Pearce (2001), have developed theoretical platforms. Yet, there are various gaps to be filled through further research. Some of the more important gaps include the issues related to the roles to be assumed by government; the relationship between economic prosperity, social development and tourism; and the study on international politics in relationship to the development of tourism and tourism policy.

In the study of Cambodia, results supported the proposition that politics is of critical concern and plays a very important part in tourism development. For example, Brunner, who invested many years in studying Cambodia, revealed the

political tension of the country (Grossman, 2002). He suggested that Hun Sen, the Prime Minister, is facing the dilemma with the international pressure to reform the administrative system set against the necessity to keep the military “onboard, happy and with enough liquidity, and enough money in the system to maintain their lifestyle.” Various political forces from within the country and abroad, therefore, bind governance. Flaunting international expectations might have a prompt impact on international aid and assistance, which is still very critical for the country at the moment. At the same time, upsetting the military forces, given the fragile political situation, might end up in civil turmoil and armed confrontation.

Tourism politics is critical in Cambodia. First, everything in Cambodia is political and more importantly, failing to maintain a balance between competing forces and keeping them happy might end up in extreme violence. Second, tourism has been regarded as a “profitable” source of income. Controlling tourism activities, assets and operations would be equal to the control of wealth. This gives good reasons for the different political factions to compete, if not fight, for their entitlement.

The Evolution of Tourism and Tourism Policies in Cambodia

If policy is a strategic plan for accomplishing objectives, the study of tourism policy cannot depart from the study of its tourism development history. Tourism development in Cambodia can be sub-divided into six different eras: the pre-colonization era; the colonization era (French Protectorate 1863~1953); the independent Cambodia (1953~March 18, 1970); Civil War (1970~1979); Post Civil War (1979~1986); The New Beginning (1986~1988); Modern era (1990s onwards).

Tourism has a long history in Cambodia. During the French protectorate and colonial time, Cambodia was intentionally positioned as a plantation base for rubber, sugar and rice. Tourism activities were limited to small-scale adventure types of travellers for wildlife and treasure hunting. During this period, the French colonial office that controlled the Cambodian kingdom has no tourism policy.

From 1953 to 1970, King Sihanouk was keen to promote, develop and capitalize tourism as a major means to revitalize the country's economy. Infrastructures, including hotels, ports and airports were planned and developed for tourism. The

King, however, was overthrown in a coup d'état in March 1970.

During the prolonged period of the civil war and the rule of Khmer Rouge, tourism was totally halted. Khmer Rouge's economic goal was to rejuvenate a self-sustained agrarian economy. Industrialization and modernization were abandoned. Foreigners, especially the westerners are deemed as evil. The Khmer Rouge regime imposed the isolationist policy under which all interactions with foreign culture were prohibited.

After the Khmer Rouge's regime came to an end in 1978, the first groups of visitors were humanitarian aid agents, UNTAC forces and experts from socialist countries. From 1979 till 1986, the four political factions were in a hostile relationship and fighting still carried on. The unstable situation by large drove away tourism and the government had no way to consolidate or initiate any tourism policy.

The tourism agreement between Vietnam and Cambodia in 1986 marked a new page in the country's tourism development. Foreigners were once again allowed to visit the country. In 1988, tourism affairs were put under the care of the Ministry of Economics and Cultural Cooperation with Foreign Countries. In August of the same year, the State Council dissolved this ministry and a new General Department of Tourism directly reports to the Council of Ministers was established.

Before 1988, tourism was given a very low priority (Krell 1990). All tourism business was via the Vietnamese state agency "Saigon Tourism" and there were only two state operated companies to deal with tourism operations in the country, "Phnom Penh Tourism and "Angkor Tourism (Societe Touristique de Siem Reap)". Tourism, during its early years, was utilized for both generating foreign currency earnings and projecting a "proper" image for the country.

In 1989, tourism was incorporated into the national plan for the first time. In May, the same year, The Tourism Authority of Thailand (TAT) changed its strategy to promote Thailand as the gateway to other Indochina's destinations, including Cambodia. Flights were planned and later materialized. Tourism has gradually gained more attention and become more important in Cambodia. The first tourism plan was developed by the WTO in 1996 in 12 volumes. There is no evidence

supporting that the plan ever been implemented.

Another tourism development plan was compiled by a group of Canadian experts in 2000, led by Professor Walter Jamieson. This five-year plan covers six major areas, viz., infrastructure, tourism markets, tourism planning, poverty, product development, and destination management. The plan was filed with MoT in late 2000. No implementation has been evident, as yet. Jamieson, himself, has expressed reservations on how much of the plan will be carried out.

INFRASTRUCTURE

The provision of infrastructure is among the various governmental involvements in tourism development. Infrastructure serves both the general public as well as the tourists. If infrastructure, as public goods, is critical for ensuring the living standards and welfare of the public, the government is obligated to ensure its supply. Tourism, therefore, can be regarded as a source of finance for supporting the development of infrastructures. In this section, a brief review of some critical infrastructures is provided (see also Appendix K for more details).

In LDCs, such as Cambodia, the supply of public services and infrastructures are limited and backward, which affects tourism. First, the lack of infrastructure affects its accessibility, security, attractiveness, and thus market potentials. Second, both tourists and the local public are subject to potential threats to their health and safety. Third, tourists and local people have to compete for the usage of infrastructures. Finally, tourists' usage could be a pressure to the current system as the total usage exceeded its capacity.

Using water supply and sewage as an example, they are perceived as free entitlements by the local people. They refuse to pay for the services and thus safe drinking water and effective sewage system is difficult to offer and maintain. Allowing raw sewage into the rivers intensified pollutions that jeopardizes the natural environment and imposed serious threats to the public health. According to the World Health Organization (WHO), the vegetables watered polluted water are directly correlated with the outbreak of typhoid, cholera and other contagious diseases (Casella, 1996).

Sports facilities are primitive and scant. RGC wishes tourism revenue could facilitate the development of sports and entertainment facilities that could benefit the general publics in the future.

Personal safety and security are perceived as the main barriers to visiting Cambodia. Although security might sound fundamental, it is a far-fetching dream and a long-way from being realized. To protect the rights and safety of tourists, the Cambodian government was preparing its tourism law and established tourist police forces in 2000. Very little progress was evidenced.

Meetings, conventions and exhibitions are potential in the region, but MICE infrastructure is limited. A new convention centre will be built and a new hotel in Phnom Penh (Tan, 2002²⁵⁶), and commenced business on 16th May 2002. These new spacious facilities will, to a certain extent, rectify the situation. Up to the cut off date²⁵⁷ for the data collection, there has been no further information available regarding this development. Another problem with the development of MICE business is the high hotel rates compared to those offered in neighbouring countries.

Transportation is another key infrastructure for the development of the country, which illustrates another issue of development. The heavy usage of the roads and their poor maintenance causes rapid deterioration. While tourism is expected to generate revenue for development and maintenance, tourist traffic also adds pressure to the roads.

To cope with the increasing demand, the construction of effective and efficient transportation infrastructure, viz., seaports, airports and ground transportation network, is urgently needed. Some of the current transportation network was developed during the French protectorate era between 1863 and 1953 or initiated by King Sihanouk throughout the 1950s and 1960s. Development was halted by the civil war and infrastructure was destroyed. Roads and highways were either blocked or damaged. The port was seriously silted.

The new coalition government gave the redevelopment of transportation a high priority. With the assistance from international organizations, such as ASEAN and the ADB, many transportation projects were carried out. However, underlying problems, such as political instability, a lack of financial resources, and limited

cooperation between neighbouring countries, still prevail.

There are some critical conclusions that can be drawn from the development of infrastructures in Cambodia. Since financing remains one of the major barriers in future development, the development would be heavily reliant on international aid and assistance. The shortage of technology, experience and trained personnel further intensive Cambodia's reliance on external help.

Foreign investors are keen to explore the country in view of the low operating costs, flexibility and the support of the local government. Civil disturbance, shattered transportation network, poor telecommunication and banking system, however, are a few hurdles to overcome. These foreign investments are expected not only to bring in capital for reform and development, and for the employment of local citizens, but also to bring in technology, expertise and experience for the country. Technology transfer, as suggested by various informants, has been limited by the schedule of work and the quality of local workers. This implied the necessity of special programmes to ensure technology transfer is technical feasible.

The development of the transportation infrastructure requires the backup of other forms of infrastructures, such as power and materials supplies, human resources and most of all capital, which are not readily available in Cambodia. It suggested the importance of developing local supply chain and monitoring the impact of leakages.

TOURISM SECTOR

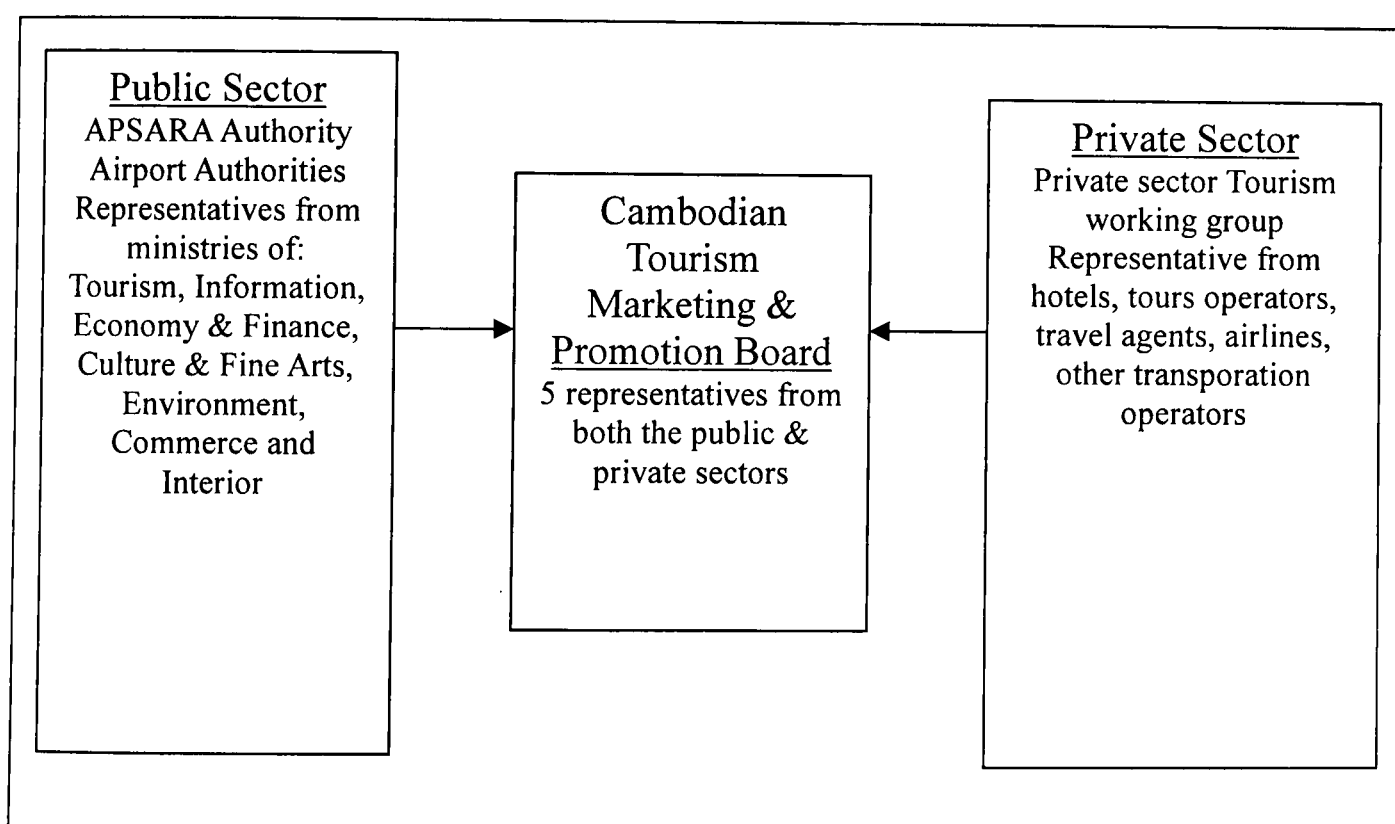
NPRD expect the private sector, as a “partner,” to be the driving force in achieving the national goals of development, sustaining social equity and justice, and resolving and eradicating the problem of poverty. The “private sector” of Cambodia, in essence, does not exist (Jamieson, 2002²⁵⁸).

The tourism sector in the model utilizes a product design perspective, which incorporates factors that are core components of the tourism products of Cambodia. Factors includes tourist attractions; catering, accommodation; retailing; entertainment; convention and exhibition facilities; and other touristic supplies, which are to be grouped under the tourism private sector and destinations / attractions management.

Tourism Private Sector

One of the major obstacles to tourism development in Cambodia is the lack of an effective tourism private sector. The industry is by default fragmented and trade unions or associations are too disorganized to have any critical contribution. Although there is a hotels association, it acts more as an expatriate club than as a trade organization that could influence the government on policy issues or consolidate industry efforts to promote tourism. The CNTDP 2001-2005 proposed a Tourism Marketing and Promotion Board (see figure 6.9) to draw the private and public sectors together to promote tourism. Although it might encounter many difficulties, the proposed board is an essential establishment to draw various parties together to make tourism governance possible.

Figure 6.6: Tourism Marketing and Promotion Board



Source: CNTDP 2001-2005: 34

In the following sub-sections, discussion will focus on the four key tourism private sectors. They included: accommodation, catering, tour operators and travel agencies, retailing, and entertainments.

Accommodation

The overall situation of accommodation can be described as insufficient and polarized. Wager (1995:518) contended, “much of the present hotel accommodation is inadequate and in need of upgrading.” Only a few international

establishments in Phnom Penh and Siem Reap meet the modern standards. Accommodation facilities in Cambodia were sub-categorized into: “Palace”, “Hotel” and “Bungalows”. “Palace” in general refers to those top, expensive and luxurious hotels. “Hotel” class included upper middle class accommodations while “bungalows” refer to cheap and modest accommodations such as guesthouses²⁵⁹ (Krell, 1990:10).

Table 6.1: Distribution of Major Hospitality Infrastructure by Province as at 2000

Province	Hotels	Restaurants	Tour Operators	Travel Agencies
Phnom Penh	166	262	28	143
Siem Reap	157	61	1	74
Krong Preah Sihanouk	91	36	0	3
Kandal	13	25	0	0
Takeo	9	34	0	0
Battambang	16	18	0	0
Kampong Thom	12	28	0	0
Kracheh	19	18	0	0
Kampot	12	17	0	0
Pursat	8	11	0	0
Banteay Meanchey	0	0	0	18
Koh Kong	11	0	0	1
Svay Rieng	0	0	0	1
Otdar Meanchey	0	0	0	1
Total	514	510	29	241

Source: Cambodian National Tourism Development Plan 2001-2005:22

The development of hotel projects has been rapid after the restoration of peace. In 1969, there were only 18 hotels in Cambodia with 912 rooms. In 1999, there were 208 hotels offering 8,359 rooms and 186 guesthouses with 1,895 rooms. In 2000, the total number went up to 514. Although there is yet no official classification mechanism, CNTDP used a new framework of five tiers, viz., budget, standard, comfort, superior, and deluxe (see table 6.4 for details of rack rates).

Table 6.2: Rack Rates of Different Class of Accommodation Establishments as at 2000

Class	Rack Rate US\$ per night
Budget	Under \$10
Standard	\$10 - \$20
Comfort	\$20 - \$50
Superior	\$50 - \$100
Deluxe	Over \$ 100

Source: CNTDP 2001-2005: 23

The international hotels (Superior and Deluxe classes) are quite expensive compared to the standard of other countries in the region. They offer a full range of accommodation and catering services, and are equipped with recreational facilities such as tennis courts, fitness centres, swimming pools and even golf driving ranges. The average standard room rate ranged from US\$ 50 to over US\$ 250 per night. Suites can go all the way up to US\$ 2500 per night. Local hotels are mainly owned and managed by Chinese or Korean interests.

Table 6.3: Number of Rooms and Hotels in Major Cities in 1999

Place	Hotel		Guesthouse	
	Numbers	Rooms	Numbers	Rooms
Phnom Penh	105	5,265	40	604
Siem Reap	34	774	28	225
Sihanouk Ville	23	1,028	11	69
Others	46	1,292	107	997
Total	208	8,359	186	1,895

Sources: MoT

Accommodation has a key role to play, both in promoting the development of tourism and the welfare of the society. Apart from being a service provider, which satisfies the needs of travellers, hotels also act as an institution for defusing technology and skill to the local communities. Hotels are capital intensive, long-term investment projects.

Attracting investment into the LDC accommodations is not easy. There are three key decision makers in hotel projects: investors, lenders and management companies (Mattila, 1997). Political instability, industrial/market risks, financial

risks, functional and legal risks would affect their desire to participate in projects and/or lift the required hurdle rate on return. Cambodia is one of destinations that investors would require the highest yield (Mattila, 1997). The required cash-on-cash return is 30%, which is exceptionally high compared to the 25% level for Vietnam and PRC and 12.5% for Singapore and Hong Kong. Mattila's study, however, has not included the "events" in July 1997, the financial crisis since 1998, or the attack in 2001. In other words, the required ROI will likely be even higher.

There are other obstacles for hotel investors to consider concerning Cambodia, which included the confusing and ineffective land administration system. Currently, most of the hotels and related businesses have formal land titles. The constitution, however, has decreed that only those of Khmer nationality are eligible to own real estate in Cambodia. Foreign investors can only acquire real estate through joint ventures with locals. Land currently used and occupied by other local communities, however, is largely unregistered. This may cause foreign investors to find it problematical to verify land ownership. There have been incidents of double registration and/or the government declaring land rights and restricting overlapping with private ownership, which has enhanced the sense of uncertainty (Törhönen, 2001) and demotivated hotel investors. Although RGC wishes to reform the land administration system and the logistics, the extreme lack of resources, especially qualified personnel, is delimiting the process.

Hoteliers are concerned about corruption and crime too. These apply as both a business dimension and a personal dimension for expatriates. One of the informants expressed his concern through his experience.

"I was travelling on a taxi one night when stopped by a gang of bandits. They were armed with machine guns. They pulled me out of the car and took all of my money. I then realised that it is unsafe to travel after night fall.... I am getting more used to the situation here but I stay very alert and tense all of the time.... It is my advice to whoever makes a decision to work in this country." (Anon., 1999a)

For editorial reasons, more discussion on corruption and crime will be illustrated as an independent barrier to development in a later section.

The lack of skilled labour is another obstacle. Hotel jobs have been described as labour intensive and most of the skills can be easily acquired with a minimal level of training. Lacking even the most fundamental education, Cambodian labour force is by and large not ready for the “new” occupational requirements. The skills and service mentality are alien to them. Therefore, labour has to be imported²⁶⁰. The target for importation is not restricted to senior levels of management as in the case of China or Thailand but to all sorts of technical staff, such as technicians for maintaining elevators (Jamieson, 2002). Although immigration regulations and enforcement are relatively loose in Cambodia, the importation of labour still represents higher cost and logistical burdens. Especially during those “miracle” years before the Asian financial crisis, neighbouring countries, such as Thailand and Vietnam, had a high demand for skilled workers. Modernization has transformed these economies into a net import market of labour and inflated their labour cost.

It would be a question why investors are willing to build and operate hotels against all the above-mentioned odds. According to respondents from the largest hotels, they generally have confidence that Angkor monuments will attract substantial arrivals to Cambodia once the political tensions have eased. In order to be the pioneer and to develop critical competitive edge, they are prepared to take the risk to invest in Cambodia.

Catering

Cambodia was once famous for its cuisine, its fresh water fish and shrimp, rice noodles and luncheon meat. Cambodian cuisine signifies a combination of traditional Khmer, Chinese, Vietnamese and Thai cuisines. As for other oriental cultures, gastronomy is one of its major components.

Traditional “Khmer” cuisine and foreign cuisine is now available in cities and towns. For example, the ‘little Phnom Penh,’ which is connected by the Cambodian Japanese Friendship Bridge over the Tonle Sap River, is a renowned dining area for both wealthier locals and foreigners. Food quality and prices are reasonable. When compared with its competition from Thailand and Hong Kong, for example, however, the catering industry in Cambodia is less attractive, in terms of availability, variety, quality and services.

The major problems with the catering industry in the country include the following. First, there is neither formal training nor documenting mechanism to preserve the traditional food preparation and serving standards. Second, the lack of local capital and the unfavourable investment environment threatens the development of small local entrepreneurs. Besides, the local supplies of raw material have been unstable and limited. Reliance on imported material is becoming more critical. Furthermore, food hygiene and safety remain critical concerns especially to tourists. In many provinces, such as Banteay Meanchey, Koh Kong and Svay Rieng, restaurants are yet not available.

Retailing

The retailing business in Cambodia is still very primitive and limited. Local marketplaces and the central market are the main areas for domestic shopping. Tourism retail facilities are scant. The central market in Phnom Penh is the major marketplace for tourists and the host populace. The mall was designed and built by French architects in the 1950s. The central dome accommodates more than a hundred stalls selling daily necessities, clothing and jewellery. Enormous stalls selling all sorts of commodities surround the dome. Most of the commodities are staples. With the exception of a few outlets selling silverwares, silk scarves and woodcrafts as souvenirs to tourists, the central market is designated for the domestic market and business travellers from within the Mekong region. There is a food and beverage corner at one end of the market. The hygienic condition, however, is poor. There is a 'modern' shopping centre in Phnom Penh. It is a complex with a supermarket, a bowling / game centre, a couple of catering outlets, a saloon, and a handful of small retail shops.

Other than these two specific places, there are a number of local markets. The roadside fruit markets are common sights for tourists. These stalls sell tropical fruits, which are largely imported from Thailand and Vietnam.

Visiting the local fresh food market is an unpleasant experience. The area is crowded, dirty and smelly. Flies and mosquitoes are ubiquitous. Solid waste can pile up to 4 to 5 feet high to confront the visitors' path. The slaughter of fowls and fish are done in the open and waste is disposed of onto the ground. Children run around the domes of waste to find reusable materials and foodstuffs.

Souvenir shops are scattered around Phnom Penh and Siem Reap. Local handicrafts, jewelleries and gifts are relatively expensive and passé. The biggest souvenir shop, a Taiwanese operation, is situated in Phnom Penh's high street. Their prices can be four to five times higher than those of the local stores.

There are hawkers and children who sell souvenirs in tourist districts, especially inside the Angkorean area. Prices are negotiable. The variety and quality of the merchandise, however, is relatively unattractive compared to neighbouring destinations.

Traditional Khmer arts and crafts have the potential to be developed into profitable touristic commodities but innovative improvisation, quality improvement, and effective marketing tactics are crucial. The most well received commodities include the replicated sandstone sculptures sold at the National Museum and the traditional Khmer scarves.

The 10% Value Added Tax²⁶¹ has not created any negative impact for tourist retailing so far, owing to the relatively low retail prices. In fact, intelligence suggests that tax was rarely collected.

Entertainment

A primary attribute of a touristic experience is to be entertained. Tourist entertainment has to be convenient and ready to be consumed with reasonable consideration. The variety of entertainment in Cambodia is limited. In terms of hardware, there are a few theatres, a sports stadium, one bowling centre, some small-scale folklore performing stages, and various nightlife outlets, viz., nightclubs, bars and discos in Phnom Penh. Nightlife venues have been ordered to close down by Hun Sen. The order, however, has not been implemented. Prostitution is serious in Phnom Penh. Prostitutes are available either at nightclubs and bars, which are targeted at foreigners, and in certain 'red-light' districts where local customers are their main targets.

Classical Dances

The Royal Ballet is the most famous performance of Cambodia. Cambodian performing arts, however, can be sub-divided into three main categories: the folk

arts, the Royal performance and the religious performances (see also Appendix F).

Prostitution (Sex Tourism)

Prostitution started to flourish after the fall of Khmer Rouge in the 1980s and became a critical form of entertainment for both tourists and local Cambodians. The size of the sex industry is unknown. There is no official record of the number of prostitutes and estimations vary from 50,000 to as many as 500,000 sex workers. According to Oxfam's estimation, one third of the prostitutes in Cambodia are aged below 18. They normally start their career at the age of 10 to 16. A survey conducted in 2000 by World Vision on child prostitutes in Cambodia revealed that over 70% of the 68 interviewed children, aged between 12 and 18 who work on the street have been involved in a sexual relation with a tourist. Although prostitution is illegal in Cambodia, local intelligence suggested that a corrupt police force allows the business to continue in a "silent" way or even directly participate in the operation.

Tourism as a catalyst for economic development (Cauvin, 1999) has, in turn, facilitated prostitution (Lin, 1998). Intelligence suggests there have been promotional materials and package tours in Hong Kong, Thailand and Japan promoting sex tours to Cambodia. Throughout the research process, however, the researcher was unable to locate any hard evidence of these materials with the exception of news reports about a sex tour from Hong Kong to Cambodia. Red-light areas are located either in the down town area or in nearby villages, Svay Pak, Tuol Kork, 63rd Street, as well as the areas around 187th, 184th and 154th Street, which are common places for brothels. Brothels are either stores at the ground level or small wooden houses. They are normally decorated with pink fluorescent lighting. Without street illumination, the whole area is relatively dark. Girls, from individuals to groups of twenty or more, hang around outside these places to approach those passing-by.

The sex industry has an immense impact on the local community. Although it brings some short-term economic benefits, the deferred social cost is huge. For example, the rehabilitation of departing sex workers and the problem of HIV/AIDS has already presented serious problems to the country.

Casino

There are a number of casinos in town. Most of them are for the domestic market. The casino cruise ship, Naga, anchored on Mekong in front of Independence Square is a major attraction for foreign tourist and expatriates. Casino operation and gambling was forbidden in Phnom Penh under a 1998 legislative order and Naga was supposed to be moved to Sihanoukville or to have gone underground. After serious “efforts” to lobby the government, Naga was allowed to operate in the Phnom Penh, as the only casino for foreigners. Now, they are building the biggest and tallest building in Phnom Penh near the boat. The square will then become a landmark in the capital. According to local intelligence, gambling is an important attraction to many Asians especially to the Thais and Mainland Chinese as gambling and casinos are strictly prohibited in their hometowns.

Destinations/Attractions Management

“Most of Cambodia is off-limits to the tourist and there are really just three destinations worthy of mention: Phnom Penh, Siem Reap and the ruins of Angkor, and the coastal resort of Sihanoukville. Very few tourists venture further a field and many people in Phnom Penh would maintain that it is foolish to try.”²⁶² (Colet and Eliot, 1997)

Although Krell (1990) contended that Cambodia’s tourism potential remains the same as it was before the war, it is subjected to various threats such as accessibility, robbery, mines, poor management and Cambodia’s bad image. The Angkorean monuments, as the prime attraction, were under serious threats from erosion, looting and lacking of maintenance.

One of the assets of the country is the large number of historical sites. Since the country has a quite unified historical background, various sites can be built along a theme line for promotional purposes. In this section, the discussions on destination and attraction management are largely based on evidences from Phnom Penh, Siem Reap and Sihanoukville. A brief description on these three most critical destinations was given in the Appendix.

Attraction development, management and control are in their toddler stage. Despite tourism has been pinpointed as development agent, there is a lack of management capacity, in terms of infrastructures, logistics and mentality.

RGC's Policies have been flapping and lack of implementation. For example, with the intention of spreading out tourist activities and benefits, restricts international flights into Siem. This restriction was soon lifted and caused adverse effects on the tourism business in Phnom Penh. In 1999, RGC is decisive to promote transportation safety. All overloading of ferries and road vehicles are strictly prohibited. From what the researcher have witnessed, the order has not been enforced.

Owing to the lack of financial resources, the development of attractions was largely based on the adaptation of existing assets, such as the killing fields of Choeung Ek, Toul Sleng Museum (the S-21 prison), the Royal Palace and the Silver Pagoda. Ruins such as the Bokor Hill Station, Udong and Tonle Bati are potential attractions but extensive works on restoration and product development are needed. Non-touristic places such as the Central Market and Orphanage No.1 were also receiving a lot of tourists. No particular attention or resources have been allocated for these two establishments for touristic purpose.

The Mekong Folk Village is one of the few purpose built attractions for tourists. The folk village is private-owned and its scale is small. Comparing with those Thai folk villages, elephant farms and other cultural establishments in Thailand, it is backward and unattractive. This implied the necessity of quality upgrading and more creative presentation of attractions.

Some critical attractions, such as the Angkor Wat, are public owned but operated by private entities on concession. In view of the paucity of resources, it is one of the more feasible modes of operation. It, however, might risk the sustainability of the attractions and thus a monitoring mechanism for concessions should be installed.

Tourism development is largely concentrated in Phnom Penh, Siem Reap and Sihanoukville. Although RGC wants to disseminate the development of tourism in various parts of the country and benefit the remote areas, it has not been feasible owing to the limitations of accessibility and resources. Wager (1995) described the

situation of Siem Reap in 1994 as generally lacking every critical supply in the tourism sector. Facilities were either destroyed or passé. Infrastructures are not available and local manpower are lacking in quality and appropriate skills. Development by critical zones, therefore, seems to be more attainable.

LOCAL COMMUNITY

Tourism in Cambodia has a mission to improve the livelihood and welfare of the residents and the government's balance of payments. As the target recipient, the local communities are supposed to play an active role. They, however, are seldom involved. Currently, their involvement is limited to the supply of materials and labour. In return, they earn a living and enjoy the improvement of infrastructures. Local voices were represented by officials in the provincial government but were rarely heard. To enhance their involvement and effectively gauge their efforts for a fruitful result, it is essential to empower the local public. Among various modes of empowerment, education is the most fundamental. In the following section, the discussion about local communities will focus mainly on the labour market, human resources development and empowerment of locals for tourism development.

Human Resources and the Labour Market

In 1998, the new coalition government decided to liberalize and industrialize the economy. This development direction was accepted without debate and rarely questioned by the public. RGC so as and many quasi-government organizations believe that Cambodia's cheap labour could be a merit that facilitate the economic development. After industrialisation failed to materialized, economic development switched to tourism.

Tourism requires well trained labours to delivery the services and satisfaction to the tourist, and to preserve the environment where tourism activities took place. In other words, tourists' total experiences are to a large extent determined by the quality of services rendered by the host. Human resources, therefore, are critical for the success of tourism. The overall impression of service quality in Cambodia's tourism section, however, is that it is immature, uncompetitive compared to other SE Asian destinations, and improvements are badly needed for critical areas²⁶³. Operational obstacles are largely related to technical knowledge as well as to the

service mentality. The phenomenon pinpointed the shortage of qualified cadres, training and educational opportunities and the institutional establishment.

After the prolonged civil turmoil, the country understandably is greatly lacking in human resources in all professions. Only about 2.5 million of the 6 million Cambodians survived the war. The loss in educated and professional people is immense. Although the population has increased rapidly since the fall of Pol Pot²⁶⁴, the deficit in workforce quality has not been rectified. According to ADB²⁶⁵ (2000), over half of the population is below the age of twenty. Most of them have received no formal education or vocational training. The enrolment ratio for secondary schools is approximately 23% and only 7% for girls. Over 36% of the population were living below the poverty line in 2000. Owing to the high mobility of the population, the large number of refugees returning to the country and the poor communication system, these figures under-estimated the real situation²⁶⁶.

According to the Department of Ethnic Minorities in Kampuchea, there are 36 ethnic groups. Khmer is the majority. Other major groups included the Chams, Chinese, Vietnamese, Laotians and Thais. Khmers are mainly farmers while Chams and Vietnamese depend on fishing, and the Chinese are businessmen. There are a number of tribal communities living in the northern and north-eastern part of the country. These tribal groups are quite independent and have a strong will to retain their own culture and customs.

The racial, occupational and social status diversity could lead to conflicts. The divergent ethnical background could also be capitalized as an attraction. The prolonged civil war and Khmer Rouge's intention to destroy traditions and customs have had detrimental impacts on folk culture. Although, many of the customs, religion and traditions have been revived after the war, the new generation has changed in various ways, including their language and behaviour. Many of the cultural assets have vanished or faded (Krell 1990). Furthermore, the "development" led by international NGOs and foreign aid, the promotion of commercial prawn farming and illegal logging have further marginalized the indigenous people and destroyed their traditional way of life. From an economic point of view, this phenomenon can be interpreted as the process for releasing manpower from agriculture to industries, including tourism. The hardship and

economic shock to the rural communities should not be underestimated or ignored. Furthermore, there are mismatches between manpower released from rural communities and job opportunities in the urban areas, between the demand for skill and the technical know-how required, and between savings and the capital requirement, which have hindered the growth and transformation of the economy.

The gender split of the population, after the civil war, skewed towards the feminine side, which has had an unfavourable impact on the agricultural economy. Without modern machinery, farming had relied heavily on manpower. The low proportion of male civilian population has affected outputs.

Although the density of the population in cities, such as Phnom Penh and Siem Reap is high, the supply of quality manpower for tourism is short. The released human resources from the rural sector did not rectify the situation but only amplified the social problems in the urban areas. Cambodian workers are regarded as one of the least productive workforces in Asia²⁶⁷. Even though workers are willing to learn, their poor educational background affects their potential.

The labour market²⁶⁸ is the mechanism to match the demand and supply of labour forces. The following discussion will focus on some of the specific characteristics of the Cambodian labour market in terms of supply, demand and labour related institutions.

The only available and reliable secondary sources of data regarding the labour force include the Socio-Economy Survey of Cambodia in 1996, various reports from ABD and the Census conducted in 1999. These together with the inputs from key informants (Appendix D), in particular, Professor Falkus, form the basic evidence for this section's discussion.

The labour force features a low level of income, moderate activity and urbanization (Athukorala et al, 2000:63). The per capita GDP in 2000 is around US\$ 270. Cambodia has the lowest level of urbanisation with only 14% of the population living in the urban areas. For the rest of the region, the norm is above 20% (Athukorala et al, 2000:62). There is about a half a million working population in Phnom Penh while 90% of the working population is in the rural area. The total economically active population, as per Socio-Economic Survey 1996, is

estimated to be only 46% of the total population. The labour force participation rate was 65%, which means there were barely five million economically active units in 1996. Agriculture and fishery accounted for 75% of total employment and 81% of the rural employment. There is no figure about tourism employment. The unemployment rate for the country as a whole is estimated to be 1.2% (0.6% in the rural areas and 9.5% in urban areas). The 1.2% unemployment rate is a misconception and largely contributed to by the high percentage of subsistence farming and fishery participants. Furthermore, the situation in urban area is more severe. Despite the fact that the government had been actively promoting FDI in the industrial sector, it only accounted for 5% of the total employment whereas the service area accounted for 17%. The position of the services sector is even more prominent in the urban areas (74% of employment in Phnom Penh and 31% in other urban areas in 1996). There are more female than male workers. Child workers (aged 7-14) accounted for about 10% of the labour force. Following a probe of Cambodian garment factories, the International Labour Organization (ILO) reported that there was no evidence of child labour or other kinds of forced labour in the factories, although the ILO did report discrepancies relating to hours worked, overtime payment and anti-union discrimination²⁶⁹.

The employment situation has been changing in response to the development of tourism and small-scale industrialization. The livelihood of the working class, however, has not improved much. The minimum monthly wage for a factory worker in Cambodia was about US\$40 (in 1996), which is much lower than the minimum wage in Thailand (US\$150-200). The basic requirement for supporting a family in Phnom Penh, however, is US\$60-69 (as per an interview conducted in Phnom Penh, 1999). The minimum wage provision applies only to certain industries. For example, the government is still paying much less than this amount to civil servants. A police constable receives about US\$20 a month in salaries (as per interview conducted in Phnom Penh, 1999).

Table 6.4: Cambodia Labour Force Participation and Unemployment by Area and Gender, May-July 1996

Area	Labour force participation rate (%)			Unemployment rate (%)		
	Total	Male	Female	Total	Male	Female
Whole country	65.6	65.9	65.3	1.2	0.8	1.6
Phnom Penh	57.4	85.2	56.8	9.5	4.5	14.0
Other urban areas	62.0	64.1	60.3	0.6	0.6	0.6
Rural areas	66.8	67.8	66.7	0.6	0.4	0.7

Source: National Institute of Statistics, Socioeconomic Survey of Cambodia – 1996. Phnom Penh (cited in Athukorala et al, 2000:63).

Cambodia’s economic development was seriously affected by the “severe shortage of skills owing to the destruction and emigration of the educated people and a total lack of formal education under the Khmer Rouge administration during the 1970s” (Athukorala et al, 2000:64). The illiteracy rate surpassed 30%. Over 68% of population received primary education but only about 1% received secondary education or above (Socio-Economic Survey, 1996). By the end of 2000, secondary education registration rate increased to 23% for males and 7% for females. A pressing concern, however, is the lack of critical development in the education sector since the restoration of peace. In interviews with local and foreign social workers who have been actively involved in education and training for local people, it was revealed that the educational system is seriously insufficient and ineffective. Local students and teachers in other occasions also expressed similar concerns. According to a key informant, there are various incidents being reported on local press about corruptions and buying qualifications in the education system. Various local respondents also suggested that going to grade school is largely symbolical. Private tutorials are critical for students to keep up with the curriculum

The Placement Bureau under the Department of Employment and Manpower has a jobseeker registration scheme, which received a lot of attention and attracted over 28,000 registrations in 1995 alone but the figure quickly dropped to 180 in the year 1997. A misconception that the scheme would offer a lot of overseas opportunities did not materialise. This was suspected to be the reason for the drastic decrease in registration (Athukorala et al, 2000:65). This incident might also indicate Cambodians’ general preference to migrate and/or work overseas.

From a regional perspective, SE Asia needs human resources to sustain its growth. Thailand, for example, has almost achieved full employment in the 1990s and accumulated an excessive demand for low cost, low skill manual labour. Its economic growth throughout the 1980s and 1990s has led to continuous growth of its employment rate and wages (Athukorala et al, 2000:68). Thailand's wages are 4-8 times more than other members of the GMS. Theoretically, it presented an opportunity for the Cambodians to take the opportunity and earn "forex" by working overseas. The inflation of wages and other costs, however, has slowed down Thailand's development and can be regarded as an opportunity for its less developed neighbouring countries to develop the industries that create job opportunities. The general lack of skill and the seriously low level of schooling affected Cambodian labours' international competitiveness. Furthermore, free migration of labour might not be as desirable for the Cambodian local economy since this would mean Thailand could further develop its economy with the advantage of cheap Cambodian labour, while Cambodia's domestic skilled labour tension remained unchanged. The alleviation of poverty would rely on the provision of job opportunities, the improvement of productivity of the unskilled work force and the transfer of human resources from rural to more dynamic industrial sectors (Athukorala et al, 2000:70). Cambodian workers, in the absence of domestic offers and knowing of the attractive overseas wages, would rather cross the borders for jobs in Thailand and other foreign countries. The situation was further enhanced by the political instability in Cambodia. According to Athukorala et al (2000:73), Myanmar, Cambodia and Laos are the three largest net labour exporters in the GMS.

There is no formal legislation governing migrations of Cambodian to foreign countries. It has been very difficult to obtain a creditable measurement on the outward migration of the labour force. The only information available is that included in the 1994 Socio-Economic Survey.

Table 6.5: Number of Out-migrated Work Force

To	1994 ¹
Thailand	3988
Vietnam	221
Others	210
Total	4419

Note

¹ 1994 Socio-Economic Survey

Sources: *Athukorala et al (2000:92)*

Although the 1994 Socio-Economic Survey of Cambodia suggested that there were only 3,988 out-immigrants to Thailand, the real number should be much higher. According to Athukorala et al (2000:92), there were more than 30,000 Cambodians living in Thailand in 1994. The reported immigrants are predominantly male (71%). The attitude of the Cambodian Government towards out-migrating labour is quite positive believing that these workers will return with the skills they have acquired during their overseas placement (Athukorala et al, 2000). For the same reason, the Labour Supply Company Ltd. (a private company) has been granted approval for setting up a protocol for exporting Khmer manpower to Malaysia to work in construction and plantation sites and as housemaids.

Export of Cambodian labour has inherent difficulties. First, the younger Khmer population received very limited education. Together with the language barrier, it is difficult to find appropriate positions for the Cambodian job seekers. Second, the competition from the Philippines, Indonesia and even Malaysia is keen. Third, the financial crisis in 1997 seriously upset the economies in the region. Many projects and job openings are either frozen or closed. The end of US's economic boom cycle and the shock of the 9/11-incident further stunted the development in the region.

According to a local government official, it was expected that the export of labour can facilitate transfer of technology. There is evidence from other LDCs showing that skill acquisition through the exportation of labour is not all that encouraging (Athukorala et al, 2000:107). In certain situations, it is actually a deskilling process as workers are recruited for jobs demanding low levels of skill. The so-called 'trainee' mechanism is only a disguise and most of the workers do not

receive much training. At the same time, while Cambodia is looking into developing tourism businesses, overseas opportunities are by large manual work at the factories or seasonal agricultural work. To further cloud the issue, whether they will return to Cambodia is uncertain.

Owing to the very early stage of development in labour migration in Cambodia, there is no evidence supporting the claim that exported workers are being exploited as cheap labour. The returned workers might find their acquired skills mismatched with demand of the tourism industry. To further complicate the issue, many of the Cambodian workers do not want to return to the country. This has been confirmed in interviews with local people.

On the other hand, Yunnan illustrated another problem with development. The fast economic growth and industrialization demand for trained labour, which is in short supply. Although the economic growth, to a certain extent, financed the basic primary school education, the continuous secondary and further education system cannot match the needs. Therefore, more senior positions were still predominately occupied by a non-local work force. This situation is also witnessed in Cambodia. Taking hotels as an example, all the senior positions and a significant portion of the middle level positions are filled by expatriates. Local staff, on the other hand, are only capable of taking up more junior, manual positions. As contended by Athukorala et al (2000:70), “[the] weak human resource base, especially at tertiary level, is a major constraint [for Cambodia] on market-oriented growth.”

Table 6.6: Number of Immigrants to Cambodia

From	1996 ¹
Thailand	112000
Vietnam	49000
Others	1000
Total	162000

Note

¹ 1996 Demographic Survey

Sources: Athukorala et al (2000:92)

Some Mainland Chinese (number unknown) came to Cambodia to buy Cambodian passports²⁷⁰ for migrating to European countries. Since they will have to wait for an approval from the recipient country, some of them would tentatively

join the labour force. Many of them worked for hotels and catering outlets owned by Chinese. Technology transfer from these expatriates is possible but there is no hard evidence available for assessing the magnitude and effectiveness of the transfer process.

It is debatable whether the current labour policy is addressing the problem of poverty or whether it is exacerbating it. Given the current domestic situation, the net export of surplus manpower to a certain extent has alleviated the problems of unemployment and poverty. The lack of a labour migration programme under a formal work contract (Athukorala et al, 2000:96) seriously affected the effectiveness of human resources management.

Working for the hotel industry is a very attractive option for the local people because of the high payroll (on average US\$100 to \$150 per month). On various occasions, the newly recruited workers have had to pay an admission fee, which can be as much as the worker's first 6 months salary, up front (Tan, 1999). The quality issue prevails. While some hotels set up their own in-house training programme, it is still common to import foreign workers. Management are recruited from Europe or the US and middle level management from nearby countries such as Singapore, Malaysia and Thailand. Foreign workers have to obtain a working permit from the Bureau of Personnel Control in the Department of Employment and Manpower. The number of permits issued increased from 4 in 1996 to 60 in 1995 and to 227 in 1996 (Athukorala et al, 2000:93). As at the end of 1996, there were about 1,500 legal foreign workers working in Cambodia according to the information from the Ministry of Interior. About 60% of them are skilled workers, 21% semiskilled and 19% unskilled. These figures, as informants suggested, do not reflect the actual situation. News reports suggest that there were about 42,000 workers from 38 different countries of origin working in Cambodia (Athukorala et al, 2000:93). Various sources, including informants from the travel industry, the local Chinese community, and Hong Kong industrialists, also suggested that there exists a significant population of illegal immigrants in Cambodia, which included temporary workers from China, sex workers and fishermen from Vietnam, and management from Hong Kong and Taiwan using tourist visas.

Currently, RGC is more concerned with attracting foreign investment rather than controlling the migration of the labour force both in and out of the country. This can be regarded as an advantage from a private sector's perspective. The problem of the lack of qualified human resources still remains unsolved.

Child labour, work hours, overtime payment and anti-union discrimination are common phenomena that indicate another important characteristic of the Cambodian labour market: exploitation. Together with international agencies²⁷¹, Cambodia has started to prepare its labour laws. The current labour law consists of two main components: the 1997 Labour Law, which is largely based on the Labour Code of the French protectorate, and a government implementation guideline. In 1992 when the UN took over the administration of the country, they started the draft of the first-ever labour law of Cambodia with much reference made to the colonial precursors.

The new labour law is basically the old French version plus the rights of unions, the right of collective bargaining and the appointment of shop stewards²⁷². The general principle of the new labour law is to protect the right of the workers. Although there is no question about the principle and the desire to implement the new Labour Law in the near future, there is great concern about its effectiveness and appropriateness to the current situation of serious under employment and unemployment. The minimum wages requirement, for example, was interpreted as an additional cost and a demotivator to investors. Falkus (2000²⁷³) argued, labour law normally comes after industrialization, development, the advancement of living standards and most of all, labour disputes in advanced countries. In Cambodia, however, the labour law under foreign influences has come before industrialization and development.

Labour issues have their political implications too. The bilateral trade quota agreement with US, for example, was based on labour standards, which were monitored by chosen agents. The RGC regard these as an invasion of their autonomy and entering into regional and global trade agreements, such as becoming a member of the World Trade Organization, was deemed to be a solution.

“No western investor will be interested in Cambodia because they found no reason to invest in this country.” Falkus (2000) exclaimed. The labour law will be

in force and provisions will apply to every industry and soon the impact will affect the tourism business as well.

Community Empowerment

Community empowerment is another of the government's involvements in tourism. The ultimate objective of tourism is to achieve social development and advancement. The backwardness of the system and the level of social sophistication of the community has hindered this development and prevented the public from getting the optimal level of benefits from tourism. Therefore, the government through administrative involvement has to empower the public and to prepare them for tourism development.

Another reason for the necessity of community empowerment is that developing tourism requires redefining the uses of land, which implies the loss of land ownership and means to a living of many, especially the peasants. The victims of development might have to suffer for a long period before they can benefit from the overall advancement of the society. A social safety net might be able to protect the victims in a rather passive way. Given the poor financial situation of the government, however, abundant social protection in an LDC is virtually impossible. On the contrary, actively empowering the local communities could enable them to participate in the tourism development and assure their livelihood. Furthermore, their grievances by being marginalized can intensify social tension. Empowering and involvement in the development is essential for easing their discontent.

In Cambodia, the community empowerment programme started off with the Cambodia Resettlement and Reintegration (CARERE₁) project and the Cambodian Area Rehabilitation and Regeneration (CARERE) Project²⁷⁴. CARERE₁ was the first major rural development project after the war. According to Curtis (1998: 167), CARERE₁ is largely modelled with reference to the UNDP/UNOPS PRODERE programme in Central America. This, to a certain extent, also illustrates the importance of foreign interventions on the development of Cambodia. As a matter of fact, most of the post-war/conflict redevelopment programme in Cambodia follows the donor-driven and donor-funded mode. The CARERE Project is a cooperation initiative funded by UNDP and other donors, executed by the United Nations Office for Project Services (UNOPS) in conjunction with the

Royal Government's National Programme to Rehabilitate and Develop Cambodia (NPRD) and the SEILA programme²⁷⁵. Both the CAREER₁ and CAREER projects signified the early empowerment programmes that emphasised capacity development for managing future projects. CAREER₁, however, stressed bringing immediate effects while CAREER's emphasis was more about capacity development. A decree was established in December 1994 for the establishment of a provincial rural development committee (PRDCs) to discuss and plan provincial development. In provinces such as Banteay Meanchey, a "pyramid" hierarchy was established to encourage bottom up participation from the village level (Curtis 1998:168). Other organizations, such as village development committees (VDCs), commune development committees (CDCs) and district development committees (DDCs) were formed to encourage more active participation.

CAREER was approved and implemented in February 1996. It was "designed to facilitate the rapid, sustained shift from direct implementation by project staff to intensive capacity building focused at the Cambodian institutions charged with development, particularly in anticipation of the eventual departure of donors."²⁷⁶ CAREER, as stated in the project document, is designed to alleviate poverty, strengthen civil society, promote dialogue between constituents of the Cambodian society, and ensure social stability and peace through decentralization of planning and financing of participatory rural development. In other words, development will shift from being donor driven (supply side driven) to community based (demand side driven). CAREER should be understood as an experiment. "Because institutional interlinkages and issues of governance and popular participation were only nascent in Cambodia, and because notions of decentralization of decision making, planning, and financing of development as of 1996 remained at the level of policy dialogue, the CAREER project afforded the opportunity to test, in an applied environment, a variety of capacity building and participatory development approaches that could form national policy in the future (Curtis, 1998: 170)." The contribution of CAREER has been reported as "impressive". There is, as Curtis (1988) asserted, two critical reservations on the basic premises of CAREER. First, the external actor in the process might model the level and mode of the programme rather than conforming to the government's vision. Second, incorporating methods of participatory rural appraisal, decentralization of planning, social inclusion and

local empowerment do not guarantee the needs of the poor will be addressed. Furthermore, CARERE's objective of poverty alleviation not being fully reflected in the programme. The correlation between rural development and the re-emergence of a civil society is yet unverified. The structural framework of SEILA and CARERE has not been clearly defined. The commitment of the government is not clear. Risks and problems outlined in the project documents have been seriously underplayed and solutions are either meaningless or platitudinous.

CARERE, however, could be taken as an experimental initiative to test out the conceptual thinking of the government and donors. It served as an important step to the empowerment of local communities and to enhance the effectiveness of development. More importantly, it exposed some of the potential problems and barriers in community involvement and thus served as a guideline to enable future success. It is premature to conclude the success of CARERE. It is, however, a critical question that how much longer can the poor endure before civil unrest becomes detrimental?

Another obstacle for local participation is the readiness of the people. Education is the means for developing and enhancing the quality of the local public and a denominator for the success of development programmes. Education is also a major area of government participation in development.

Education

"It is not easy to make use of the opportunities of globalized trade if illiteracy makes it hard for the common man and woman to participate in production according to international standards and specifications, or even to have quality control." Sen (1999:21).

Expansion and generalization of education together with other social benefits, referred as the eastern strategy, is the key to the success of the "East Asian Miracle" (Sen, 1999:17-20). This section reviewed the educational and vocational training within the country. Archives and documents were reviewed to establish a view of the context and interviews have been conducted to solicit input and views from various sectors to provide critical insights. Respondents included representatives from the hotel industry, both at managerial and operational level, the general public,

the government sector, academia, foreign investors, and NGOs, especially church and charity organizations.

Education once developed rapidly under Sihanouk in the 1960s (Ear, 1995) despite criticism of it lacking quality. It was then interrupted by the civil turmoil and halted under the Khmer Rouge. The current educational system can be sub-categorized into two main streams, the general education provide by the government and the privately-operated training centres. The public education system includes primary, secondary and higher education institutes. Owing to the loss of intellectuals during the civil war, one of the major problems of the education system is the lack of qualified teachers. Primary education, for instance, suffers from a serious shortage of qualified teachers. Many teachers are either approaching retirement age or are unqualified. The problem also stems from the limited budget. The government is unable to pay the teachers. They, therefore, actively engaged in private tuition at the expense of their regular teaching. The poor general education system has a detrimental impact on the development of tourism. The paucity of good workers hindered the development and promoted reliance on importing labour, which, in turn, caused a leakage of economic contribution.

Table 6.7: Percentage Distribution of Employment by Educational Attainment, May-July 1996

Educational attainment	Whole country	Phnom Penh	Other Urban Areas	Rural areas
No schooling	25.9	8.4	23.7	27.5
No class completed	4.1	2.6	4.2	4.2
Primary	68.3	79.1	69.0	67.3
Secondary school certificate/diploma	0.6	5.6	0.2	0.2
Vocational (including undergraduates)	0.2	1.6	0.1	0.1
Graduate and postgraduate	0.2	2.5	0.2	0
Unknown	0.8	0.2	2.6	0.7
Total	100	100	100	100
Total ('000)	4868	330	526	4112

Source: Royal Government of Cambodia

Tourism Education

Education and tourism is critical to the development of tourism (Veng, 2000; Neth 2000). According to Dr. Neth Barom²⁷⁷, Vice Rector of the Royal University of Phnom Penh, tourism in Cambodia is still at its infancy stage. The need of human resources is immense yet the supply is limited. RGC recognized the need for qualified human resources and have been working on reforming the educational and training system. Owing to the constraint of limited resources, not much progress has materialized throughout the research period. As at 2000, the tourism education system in Cambodia can be sub-divided into three main categories: training programmes offered by MoT (Ministry of Tourism); programmes offered by or supervised by MoEYS (Ministry of Education, Youth and Sport); and training by the private sector.

MoT offers various training programmes with the participation of international organizations, such as APETIT and WTO, and private business enterprises (Neth, 2000²⁷⁸). The number of participants attending these training courses amounted to 1200 people in the first 8 months of the year 2000. This training, however, tends to be short in duration, normally ranging from two weeks to three months. Although these programmes can be developed into regular modular training programmes, accredited and constituted to a regular programme, it will require much effort and manpower to fulfil this proposal.

None of the universities has specialized stream in tourism and hospitality. The MoEYS has been planning to develop an economic programme in grade 12. It is still, however, in its preliminary stage and whether tourism will be included in this programme is uncertain.

Tourism is offered as a part of the BBA programme at The National Institute of Management (NIM), Norton University (NU) and the Institute of Technology and Management (ITM). The current registration amounted to 292 students with 61 at NIM, 211 at NU and 20 at ITM. The first cohort graduated in the summer of 2002. There are two main problems with these programmes. First, they are too expensive for most of the locals. Take NIM, a private institute, as an example. It offers a four-year programme and the annual tuition fee is US\$400, which is more or less the same amount as the average annual income of a general citizen in Phnom Penh.

Second, professional trainers or programme designers are not available locally. Instructors are mainly hired from the business sector or second from the MoT.

There is a post-graduate programme in existence before the under-graduate programmes have been properly implemented. There is a post-graduate certificate programme jointly offered by the Royal University of Phnom Penh and the University of Bologna. The first cohort included six students recruited from sixteen candidates. The programme was first introduced in 1998 and ends in June 2000. The Royal University of Phnom Penh, the University of Bologna and the University of Technology of Sydney are collaborating to offer another Graduate Diploma Programme in Sustainable Tourism. It is targeted to recruit a thirty-student intake for this three-semester programme. These “top-of-the-cream” graduates are expected to become the future instructors for the field. The first intake was spring 2001. This program, according to Dr. Ravinder²⁷⁹, is facing financial difficulties.

Besides these, there are in-house training centres organized by large foreign hotel and tourism enterprises for their employees. These in-house vocational trainings provided a provisional remedy to the current situation. They have been criticized for their unreasonably expensive training fee, charging as much as six months of the trainee’s salary. This situation, according to local intelligence, has been rectified. More recently, the fee is generally waived.

There are also training programmes offered by foreign NGOs on an ad hoc basis. According to various respondents, recruiting trainees is very difficult. Most of the staff working in the MoT, for example, has part-time jobs. Attending training means that they have to forego their moonlighting jobs. Unless remuneration is provided, enrolment and attendance is not guaranteed.

Although education has been identified as critical and important for Cambodia’s tourism and economic development, the educational reform is not advancing at a desirable pace. There are a number of obstacles that have hindered the development. First, there is a serious lack of qualified trainers. According to various sources, many of the educated were either killed or escaped to foreign countries during the Pol Pot regime. The existing educated segment is too small to meet the need and many have opted to work in other jobs for higher incomes²⁸⁰.

Second, collaboration with foreign experts and institutes is weak.²⁸¹ Institutions are faced with major obstacles in soliciting foreign aid and assistance. In some instances, the technical assistance offered may not address the actual need of the country. For some reason, the local institutions have not been active in collaborating with external assistance. The researcher has tried to offer voluntary tourism trainings for them but no response has been received.

Third, the education system is fragmented and inefficient. According to a Chinese preacher, most of the school teachers would spend as little effort as possible for their regular classes and save time and effort for private tutoring.

Fourth, the education system is still primitive. There is no long-term strategic plan or coordinated education development policy, which can guide the development of the education system.

Fifth, financing is insufficient. The country is still heavily reliant on external assistance and aid. The lack of financing becomes a serious barrier for educational reform and development.

The Third Sector

The Third Sector has a critical role to play in the development of Cambodia (Yamakawa, 1999; Juntakorn, 1999; Tan, 1999; Arora, 1999). For editorial reasons, international / foreign NGOs have been grouped with the political environment for discussion in Chapter 5. Although the local Third Sector is also expected to assume a critical role in development, and to fill the gap and to rectify both the government and market failures, the Cambodian Third Sector remains immature, too fragmented and small to make any significant input²⁸². Various respondents²⁸³ from the sector concurred that the paucity of resources and support delimited their services. They also agreed that this collaboration affected the potential contributions of the sector and lead to wastage of resources. It is essential to the development of the local Third Sector and the enhancement of its functions, especially when external assistance is unstable and their availability is not guaranteed.

SUMMARY

This chapter reviewed the inner logistic circle of the tourism system model proposed by the research by applying it to the case of Cambodia. Results revealed that the elements constructing this inner circle are valid and relevant to the development of tourism. The government, the infrastructure, the tourism sector, the local communities, and the Third Sector are all critical in accomplishing the social objectives for tourism. The various tourism attractions selected for discussion are just examples for drawing a generic summary on the general situation rather than evaluating individual attractions. The same applies to the discussion on infrastructure. Good governance was identified as a key to success.

Local communities, especially the general public are the key subjects of this thesis. They are part of tourism system: the practitioner, the host, the beneficiary and victim at the same time. The discussion on the local community in this chapter mainly focused on their participation as human resources. Community empowerment is a critical component to ensure development is pro-poor, benefit the public as a whole and minimize the impact of marginalization, are covered in the chapter with special attention given to the education system. Further recommendations on empowerment, village based and small-scale industry in relationship to tourism will be dealt with in more detail in Chapter 8.

Some generic remarks can be made on Cambodian attractions. First, historical monuments remain the most important attraction for tourists, though some would argue that sex is the main attraction. Second, the tourism infrastructure is insufficient. The poor transportation network affects accessibility. Weak public administration, lack of financing and human resources, corruption and crime are serious obstacles to the development of tourism, which also supports the research propositions.

This chapter has been dedicated to justify the model. The next chapter will move along to discuss, in more detail, the problems, barriers and obstacles for tourism development in Cambodia.

²⁴⁸ Gerschenkron, Alexander. (1962). *Economic Backwardness in Historical Perspective*. Gerschenkron's work focuses on France, Germany and Russia's process of development in the 19th century but has implications to Cambodia as well.

- ²⁴⁹ Internal conflicts among various fractions, external conflicts with neighbouring countries, large proportion of population wounded civilians who were victims of war and / or the minefield, the poor financial status of the government, the intervention of the superpowers, and the lacking of experience are some of the most critical issues affecting planning in Cambodia (Krell, 1990)
- ²⁵⁰ Butler, Richard. (1997) in Wahab, Salah and Pigram, John J. (ed.) *Tourism, Development and Growth: The challenge of sustainability*, Routledge, London.
- ²⁵¹ Keyfitz, Nathan and Dorfman, Robert A., *The Market Economy is the Best but Not the Easiest* (mimeograph, 1991), pp.7-13 as cited in Todaro, Michael P., *Economic Development* (2000). Addison Wesley Longman: 642.
- ²⁵² This division is financed by and receives technical assistance from ADB, under Project TA 32000-CAM.
- ²⁵³ Interview conducted in Hong Kong
- ²⁵⁴ Prince Sisowat gave the researcher a translated copy for analysis in 2000.
- ²⁵⁵ The failure of implementation also included the lack of implementation.
- ²⁵⁶ Communication with Cherie Tan on 1st and 9th April, 13th May, 2002.
- ²⁵⁷ 31st December, 2001 is the cut off date for data to be included in this thesis.
- ²⁵⁸ Jamieson, Walter. (2002). Interview followed by a lengthy discussion on June 18 in Hong Kong.
- ²⁵⁹ Krell, Maya. 1990. *Tourism in Cambodia*, The ecumenical Coalition on Third World Tourism. Pp10
- ²⁶⁰ This is revealed by two senior hotel managers in an interview in Siem Reap.
- ²⁶¹ The Value Added Tax was enacted in 1997 and implemented starting from January 1, 1999
- ²⁶² Colet, John. Eliot, Joshua. (1997). *Cambodia Handbook*, Footprint Hand Books, pp.9
- ²⁶³ The impression was solicited by a small scale survey in Phnom Penh and Siem Reap in the year 1999 and a group discussion in Hong Kong in May 2002. Owing to the small sample size and the qualitative nature, the result is not representative.
- ²⁶⁴ In 1989, the population was estimated to be around 8 million and 12 million at the end of 2000, which registered a 2.54% growth over the year prior.
- ²⁶⁵ Asian Development Bank. (2000). *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kingdom of Cambodia for the Rural Credit and Savings Projects*, March 2000
- ²⁶⁶ It is according to the comments from various informants from the NGO sector.
- ²⁶⁷ This is revealed by investors in Phnom Penh during interviews.
- ²⁶⁸ Many of the materials and information for this section is also based on the seminar by and an interview with Professor Falkus on July 5, 2001 at City University, Hong Kong, and discussion afterwards. Professor Falkus was appointed as adviser to assist the Cambodian government to write up teaching materials related to labour law and enforcement for judges, government officials, teachers and related parties, and to give suggestions on the revising and improving of the current labour law.
- ²⁶⁹ Global Development Briefing on December 7, 2001.
- ²⁷⁰ According to local intelligence, the market price for a Cambodian passport in 1999 is US\$ 600. The passport is official and issued by the Cambodian authority and thus holders can apply for immigration to European countries legitimately.
- ²⁷¹ Throughout the 1990s, Cambodia received a lot of pressure from the American Labour Union. The American union forces attempted to impose a new labour standard to exporting countries by relating control over imports to the anti-exploitation of labour. In 1994, the US government and the America Asian Federation of Free Labor Institute, an affiliate of the US Labor Union, influenced the Cambodian government to refine the Cambodian labour law. In return, Cambodia was granted the privilege to export to the US market. This new set of labour law was finally enforced in 1997.
- Another example is ILO's recommendation to the US government to reconsider whether the United States will extend the favourable trading terms and allot quotas to Cambodian exports if the labour situation has not been improved.
- ²⁷² Shop steward refers to a member of a local branch committee of a trade union, chosen by his fellow workers to represent them. (Advance Oxford Dictionary, 1974, p806)
- ²⁷³ Professor Falkus, a foreign expert from England, was appointed as adviser by the World Bank and the Cambodian government to study the labour market and labour law in Cambodia and to train the concerned civil servants on the subject issue. An interview with Professor Falkus was conducted in Hong Kong and followed by a series of discussions via email.
- ²⁷⁴ The CAREERE project is originated from the Cambodian Resettlement and Reintegration Project

which was launched in 1992 to resettle and reintegrate some 370,000 refugees from camps along the Thai border and similar number of internally displaced persons (IDPs) (Curtis, 1998: 166-167).

²⁷⁵ SEILA programme is an experiment of the government to decentralize the planning and financing of integrated local developments. SEILA is a Khmer word meaning “foundation stone”; “clarity of vision” and “inner strength” (Curtis, 1998:166).

²⁷⁶ Royal Government of Cambodia, United Nations Development Programme, United Nations Office for Project Services. (1996). Putting the SEILA Programme in Place, 1996 Workplan of the Cambodia Area Rehabilitation and Regeneration (CARERE) Project, Phnom Penh (pg.3).

²⁷⁷ Interview in Siem Reap, December 2000.

²⁷⁸ Neth, B., Tourism Education in Cambodia, ATLAS Asia Conference in Hainan, PRC, 23-26 October 2000.

²⁷⁹ Dr. Ravi Ravinder, from the University of Technology of Sydney, is the coordinator of the program. Interviewed in Sydney, July 2003.

²⁸⁰ Mr. Robert Cooper, an informant who has been to Cambodia three times as tourist, provided an example as reference. During his last trip in December 2002, he hired a person in Phnom Penh as tour guide and boat assistant. He paid US\$20 for a two-hour service. This guide is a former primary school principle. The discrepancy in income prevented him from resuming his teaching career.

²⁸¹ Work from Dr. Neth Barom

²⁸² There are local volunteer organizations working on health care, labour issues and prostitutions. Local NGOs, to the knowledge of the researcher, have not been involved in tourism.

²⁸³ Respondents included personnel from WorldVision, Oxfam and local churches.

Chapter 7: critical issues and Perceived Barriers to Sustainable Tourism Development

“The goal is to increase awareness of Cambodia’s place and geography, both human and physical, in the region and to suggest that tourism may constructively assist Kampucheans in the reconstruction of their cultural landscape from ‘killing fields’ to tourist destination.” (Hall and Ringer, 2000:178).

INTRODUCTION

Cambodia is cursed with suffering, poverty and misery. Tourism, as the major development agent, has to overcome enormous barriers and constraints including personal security, health and hygienic conditions, inconvenience, lack of attractions and the heavy capital outlay for infrastructure (Poirier, 2001). In normal circumstances, the government might have to step in. RGC’s critical financial situation has limited its participation.

This chapter focuses on the major barriers to sustainable tourism development in Cambodia. The notion of sustainable tourism has its roots in the concepts of sustainable development, which can be grouped into the so-called soft and hard counterparts (see Pigram and Wahab, 1997; Bowers 1997). While soft sustainability can be satisfied if the losses of natural/cultural assets are compensated by man-made capital of equal value, hard sustainability requires that the aggregate of natural capital assets does not decrease. Sustainable tourism is still very much a defining concept. Pigram and Wahab (1997) argued that sustainable tourism is an integrated issue comprising of environmental and socioeconomic dimensions. It involves the compatible use of resources and management of activities that minimize the disturbance and avoid irreversible impacts. It also stresses the needs of capacity and resource development in a proactive manner.

Sustainable tourism in this thesis has two dimensions. First, the business of tourism can be sustained in the long-run. That means the lifecycle of the destination can be elongated. Second, the environment where tourism activities

take place can be preserved and protected. Therefore, a soft sustainability paradigm is adopted.

There are particular reasons for the concern of sustainability. First, tourism has various environmental impacts. Failure to recognize, prevent and rectify the impacts has detrimental damages on the destination and its development potentials. This tourism undermines tourism syndrome is a force that push a destination to the decline stage of its lifecycle. Second, tourism as a development is a change agent as well. That means tourism will bring along changes to the community and environment that are reasons for tourists to visit. Third, in LDCs where tourism is pinpointed as the major development agent, the stability of tourism business and income is critical to the environmental preservation, socioeconomic and political development.

The discussion covers three major facets: the inherited limitations, governance issues, and developmental issues. Although, for editorial convenience, they are subcategorised into different sections for discussion, they are inter-twined. They are often causes and results of one another. In other words, the falling short or malfunctioning of a factor could trigger a serial impact on the development and well being of the country.

Economic growth, as the prerequisite of development, requires three credentials, viz., capital accumulation; growth in population; and technological progress (Todaro, 1992). All of these implied the enhancement of capacity. The recent population growth does not rectify the paucity of skilled and educated human resources. Together with the shortage of capital and technology, poverty prevails.

Economic development requires fundamental changes in the structure of an economy and that people of the country must be major participants in the process and benefit from it (Perkins et al, 2001:9). Development in Cambodia can be described as the strategy to capitalize tourism as a catalyst to economic and socio-political sophistication. It is a lengthy process and a challenge to policy makers and governing authorities, especially when the government and its people have little control over the decisions.

INHERITED LIMITATIONS

Poverty and resources limitations

Poverty is the broad-spectrum condition of the country and its society. Despite the 12% growth in the industrial sector, 2% in service sector and 4% in tourism, the per capita income only increased marginally by 2% in 2001. Ninety per cent of the rural population²⁸⁴ still lives under the poverty line (ADB, 2002). The impacts of poverty are enduring and self-enhancing. It has triggered socio-economic syndromes, such as retarded human resources development, low capital acceleration, public health problems, short life expectancy, and prostitution. These syndromes, in turn, will affect the progress of development. For example, child workers, as a syndrome of poverty, have a detrimental impact on the development of human resources and perpetuate the cycle of poverty (Johnson, 2000).

Findings in this thesis confirmed the detrimental impacts of poverty on tourism development in Cambodia. Tourism development requires infrastructure (Poirier, 2000), which implies significant capital requirements. The challenge is to mobilize capital for the chronically poor Cambodia.

As Chhon (1999) explains, the needs of the Cambodian society are colossal but the resources are limited. Therefore, it is critical to prioritise them into various development projects. Resting the allocation of resources onto a market-led mechanism may not be able to serve the ultimate goals of poverty alleviation and the sustenance of an equitable share of welfare and wealth. To address this, the government would have to step in to ensure that these goals were well considered and the balance of interests maintained.

The participation of local capital in development of tourism could enable the locals to share the benefits. The civil destruction, however, devastated the supply of local capital, viz., money, relationships (social network), human resources, and land. The available resources, on the other hand, are largely controlled by elites. The participation of local communities is, therefore, restricted to the supply of manpower and their parcels of land.

Khmer Rouge abolished individual land ownership and land ownership records, together with the parcel system were largely destroyed (Törhönen, 1999:408).

Although the new coalition government commenced a land reform, the enormity of land problems and the insecurity of tenure still remain a concrete obstacle (Törhönen, 1999:407). Furthermore, large scale logging activities, both legal and illegal, have driven indigenous inhabitants away from their farm land. They became landless, lost their means of living and their opportunities to participate in development. Landlessness has emerged into a constraint to development and a social problem.

War not only destroyed the resources but the supply chains and the regenerating mechanisms. Education, for example, has been halted for more than twenty years since the outbreak of civil turmoil in 1979. The exile and execution of the educated Cambodians created a vacuum in the education system chain. The redevelopment of the education infrastructure is reliant on external sources of supply. The lack of finance has been affecting teaching services²⁸⁵. Going to school, without attending private tutorial, is otiose. The education system has returned to a toddler's stage under which only basic literacy training can be provided. Technical and vocational training is inadequate. Skilful manpower has mainly been imported.

Despite Hun Sen promulgating the constitutional guarantee of 12 years of school, with a 25% registration rate among teenagers, Cambodia's secondary education is still the lowest in the region. Child workers explained the situation. In a report by UNDP, there are more than 600,000 child workers in Cambodia (Johnson, 2000). They work 44.2 hours a week on average, which prevents schooling. This syndrome has a detrimental impact on the development of human capital.

FDI can facilitate technology transfers (Pine, 2001²⁸⁶). However, the inflow of foreign investment into Cambodia has looked bleak since the regional economic recession started in July 1997 (Peou, 2000:367). In addition, the local populace has not been ready to accept the transfer of technology.

The paucity of technical support also affects the supply of information. As witnessed and confirmed by the researcher's experience, information is scarce in Cambodia. Although various institutions, including the government, have been investing in constructing various database and archives, the current line of offering is faced with a number of problems.

Most of these archives and databases are not easily accessed. Requesting information from the government is especially difficult, and sometimes made totally non-accessible. Officials seldom respond to requests and even if they do, they normally ask for monetary favours. This limitation presents a major obstacle for FDI and other international projects (see Appendix M).

As a summary, Cambodia is lacking in technology, both in terms of hardware and software. In this discussion, hardware refers to the acquisition of equipment and infrastructure; and software refers to skilled labours, information and management.

Many international aid and assistance projects have initiatives to develop local capacity. Various cases, however, suggest that the process is not all that fruitful. Using the restoration projects for Angkorean monuments as an example, the various foreign teams have their timeframe, agenda and financial constraints and foreign task forces might have to forego technology transfer in favour of the progress of the initiatives. In addition to that, the language barrier and local staff's readiness are also critical obstacles to knowledge transfers. Jiang Huai Ying, Senior Engineer and Director of Team for the Chinese Government Team for Safeguarding Angkor (CSA)²⁸⁷, conceded that the quality of local helpers are sometimes "quite disturbing". The lack of basic knowledge makes the development of local capacity extremely difficult. Some agents, therefore, are forced to give up.

Image Barrier

Another major barrier to tourism development is its negative image. Hall and Page (2000:82) described Cambodia as a country receiving too much attention for its problems of political instability and violence, especially those enacted against tourists. Jean-Pierre Kaspar, general manager of the Hotel Sofitel Cambodiana, a five star hotel in Phnom Penh, contended,

"Our occupancy averaged 74 per cent over the first six months of 1997. Since then, [it has been] around 20 per cent. Some tourists are coming back, but it's negligible. We need more... CNN especially was detrimental to us. You saw refugees, rockets, tanks on the streets. These images – people don't forget them. But the fighting affected very

few areas.”²⁸⁸

The MoT was also concerned about unfavourable news reports on Cambodia. Although the press reports extraordinary stories, readers take them as normality. It might be useful for soliciting external aid but it has a detrimental impact on tourism. Other than the press, official information, especially the “warnings” on official websites are critical sources of information that have affected tourists’ decisions. The warning cited below is a typical example retrieved from the US State Department’s homepage.

*“Foreigners in particular are targeted. In many cases, the assailants appear to be policemen or soldiers.”*²⁸⁹

The media have also played an important role in shaping the image of a destination (Milen et al, 1998). While the horror and terror of war reproduced in the Hollywood movie, *The Killing Fields*²⁹⁰, has been fading as an ideogram, Cambodia’s association with insecurity was enhanced by publicity related to landmines, crime, prostitutes and STDs and corruption.

“Cambodia Prime Minister Hun Sen ordered his Cabinet to investigate whether a local court accepted bribes to drop charges against 66 suspects accused of violent crimes.” SCMP 4th December 1999.

No matter how accurate these images are, they have a detrimental impact on the tourism business. The reconstruction of Cambodia’s image is needed to rectify the situation.

The Burden of War

“Most calamities which hit the innocent, often the poorest people, are caused by nature. Doctors and scientists labour strenuously to combat them. The people of Cambodia are miserably victimized by floods and famine. Above that our people suffer and die from a number of debilitating illnesses such as tuberculosis, malaria and most recently AIDS.

But some calamities are man-made. They can and must be stopped. The most vicious and cruel are the accidents caused by exploding land

mines, which continue to kill and maim our people. They retard our development because the vast areas of land they occupy are not productive for farming, industrial production or for living. These destructive weapons planted by man have become a threat to our existence.” King Norodom Sihanouk (The Cambodia Daily special supplement on Mines²⁹¹.)

War imposed negative effects on the development of the country. It destroyed resources, infrastructure and the capacities of the nation. Although it also left behind war sites / monuments as attractions, the cost and burden of war is too immense to be justifiable. Among these included the child soldiers, war orphans, and the mines and other unexploded ordnance.

Child soldiers, orphans and war victims are burdens to the already difficult public accounts. Cambodia is extreme lacking in resources, systems and technology to rehabilitate these people. Although external assistance has stepped in, the issue is still serious.

According to the Mines Advisory Group, Cambodia ranks highest in the world for its per capita casualty rate (Grindle, 1998). Although mines' casualties have dropped by half from 1996 to 1997, the annual casualties totalled 1,369 in 1998²⁹². Other than mines, there is the massive amount of unexploded ordnance (UXO). UXO in Cambodia ranged from small mortar shells and 40mm grenades to big bombs weighting over 500 pounds (Grindle, 1998). UXO are mobile and spread much wider than mines. There is no record, not even estimates, on how many UXO are remaining in the field. According to Tim Lardner, a former British Army officer and an adviser to a Cambodia Mine Action Center (CMAC) demining unit, the east of Mekong is a big UXO dump. Explosive ordnance disposal (EOD) projects²⁹³ can only be concentrated in hot spots²⁹⁴. Walter Fiers, an EOD advisor, estimated that mines will be under control in the next five to ten years but UXO will linger on for many more decades, which implies further casualties, loss of human resources, and jeopardy to the tourism businesses.

AIDS

Another serious threat is disease. “The HIV epidemic is more than a public health concern... it is a development issue.” Decosas (1996).

“[Cambodia] has already been devastated by war and has lost a generation. Now the next generation needed to rebuild the country is being devastated by AIDS pandemic.” Sebastien Marot, spokesman for international aid group Friends.²⁹⁵

Decosas (1996) argued that HIV is an epidemic that is directly linked with development in the sense that it affects young adults, which are “the productive population”. In addition to that, it also has affected the average life expectancy, the mortality rate of babies, health care costs and the human development potential. HIV/AIDS has clouded the destination’s image and prevented visitations. Decosas (1996) suggested, “HIV epidemics cause development delays; or Developmental delays cause HIV epidemics.”

Decosas (1996) concluded that HIV is an important piece of the puzzle of international development. It was found to be an indicator of uneven or dysfunctional social development; cause for developmental delay; and the result of inadequate social and health services. HIV deepened the poverty of the community concerned. In Cambodia, it caused losses to the already scarce productive population. Sebastien Marot estimated that AIDS orphans would leap to 140,000 in 2004 from about 30,000 in 2000.

While Decosas’ (1996) arguments have been largely confirmed in the case of Cambodia, two additional propositions were developed in this study:

- HIV epidemics has negative impact on tourism development;
- Tourism development is positively correlated with the spreading of HIV epidemics.

Based on the evidence in Cambodia, these propositions are initially substantiated. According to tourists interviewed in Cambodia, Hong Kong and Bangkok, AIDS has becoming more of a concern in their leisure travel decisions. AIDS/HIV is still too frightening so that they would have to take precautions, including avoiding the

destination. AIDS/HIV portrayed in a contextual setting of poverty and government's inability to control the transmission of disease has created a strong sense of insecurity, which undermines tourism potential. Based on the researcher's causal observation, the spreading of this fatal STD seems to have a detrimental impact on tourism development and the rapid development of tourism, especially sex tourism has accelerated the spread of the disease. Are these coincident or the result of causal relationship? The considerations have to be qualified by further research. It is, however, beyond the scope of this thesis.

Insecurity

"The main constraint to transport and travelling in Cambodia is one of safety."²⁹⁶ (Colet and Eliot, 1997)

In addition to UXO and AIDS/HIV, the political instability and the various incidents, including the coup in 1997 and the bomb attack on 24th November, 2000, seriously jeopardized Cambodia's image and the confidence of both investors and tourists. Other than critical incidents, the underlying problems strike its foundation even more seriously. For example, the illegal possession of arms remains a threat. According to Sinthay and Ashby's estimation (Peou, 2000:368), there are more than 500,000 light weapons in Cambodia. Half of these are owned and used by civilians and gangsters. A further important consideration is that Cambodians still consider using force as the best way to solve their problems (Peou, 2000:368).

Civil stability rests on the government's ability to overcome the wide array of social and economic problems. "If the new Hun Sen government failed to tackle the economic problems, the domestic balance of forces now in his favour may change in the coming years. ... Cambodia remains a structurally weak state." (Peou, 2000:368).

On 24th November 2000, the Cambodian Freedom Fighters (CFF)²⁹⁷ under Chhun Yasith and Richard Kiri Kim launched a coup. Despite the incident being settled with 50 CFF members being arrested after 90-minutes armed fighting, it emerged into a larger event when Funcinpec and Sam Rainsy Party officials were found to be entwined in the CFF legacy. Both FUNCIPEC and Sam Rainsy Party see the arrests as politically targeted at opposition parties. At the same time,

Chhun Yasith is still threatening to launch a new run of attacks against the Cambodian government. Although many perceive it as an empty threat, it has stirred up some concerns among locals and tourists.

The sense of insecurity affects tourism. Although the number of incoming tourists has been gradually recovering since July 1997 to around 16,000 in March 1998, the future does not seem promising (Peou, 2000:367). The official projection for 2002 to 2005 has been over-optimistic and unattainable (Jamieson, 2001²⁹⁸).

Lack of Financial Institutions and Capital

Cambodians traditionally prefer consumption to saving (Ear, 1995). Savings, if any, are normally in the form of cash and valuables, which cannot be directed into the capital market. Domestic savings, according to the Harrod-Domar model, is critical and essential to economic development. Taking the suggestion of the Keynesian framework that savings equals investment, despite this being over-simplified, the lack of savings is a drawback to long-term economic development. It inhibits the local community's ability to take advantages of tourism development and also hampered the development of the tourism economy.

Poverty is a major factor in the paucity of domestic savings. Cambodia, being one of the poorest societies, has a high unemployment rate and a low disposable income. The sense of insecurity and uncertainty; the high inflation rate; and the depreciation of the local currency "riel" have also discouraged saving. In the 1960s, the riel was pegged to the US dollar at the rate of US\$1 to 35 riels. In 2000, the riel depreciated to more than 3600 riels to US\$1 in the black market and further depreciated to more than 4000 riels by mid-2002. The "very imperfect" financial system has also been reported as a hindrance to the growth of domestic savings (Ear 1995).

On the other hand, the lack of a financial system disables the matching process of saving to capital needs. This also implies that economic development has to rely on FDI. The investment environment, however, has been described as unattractive with high potential for the outbreak of a financial crisis by foreign investors and financial institutions. For example, the Central Bank increased the capital reserve requirements for commercial banks from US\$8 million to US\$13 million. Many

foreign banks are expected to depart from Cambodia and many more small commercial banks were forced into bankruptcy (Anon., 2002²⁹⁹). Local banks such as the First Overseas and Cambodia Asia Bank are faced with serious difficulties to meet the new requirements. There have been reports suggesting that foreign investors, such as the Royal Group from Taiwan, have plans to invest in Cambodia through merger and acquisition. Not many projects have materialized. On the contrary, international establishments have been seriously considering leaving the country. For example, The Standard Charter Bank from UK has been gradually retrieving their investment in Cambodia and Credit Agricole Indosuez from France has a similar plan.

The tendency of FDI retrievals is directly related to the loss of attractiveness in the investment environment in Cambodia. Many foreigner investors, especially those Chinese industrialists have plans to exit Cambodia. Unless the government can project a more favourable investment environment and atmosphere, the FDI that government considers critical for development will shrink at a rapid pace.

GOVERNANCE ISSUES

Governance

Governance is a matter of administration, policy and planning. In the case of Cambodia, the importance of governance can be justified with reference to a number of various issues and incidents.

The Keynesian Model argued that government has a very critical role to play in the process of development ($Y=C+I+G$). RGC under the limitation of a poor taxation system and its inability to generate sufficient revenue has been relying on foreign aid and assistance. The lack of tax returns has prevented RGC from direct investment, which is critical for inducing development in LDCs. At the same time, foreign aid and assistance comes with conditions.

Since independence, the economy is structured as a free-market, quasi-, or ezratz capitalist (Ear, 1995). Market failure, such as price distortion and high transaction costs; bribery and corruption, however, have caused further deterioration to the already fragile economy.

In terms of tourism development, Wager (1995) argued that the government is in a strong position to determine the type of tourism to be developed. The Cambodian government, owing to its lack of financing and technology, and the strong intervention of international agents and foreign nations, has retrenched its role. Pro-poor tourism development and community-based development did not receive the critical support of RGC and thus not much has been accomplished.

Corruption

“Corruption was not Cambodia’s only problem” (Ear, 1995) but definitely a major one for immediate action. It is spreading fast and wide, from high-ranking officials all the way down to junior members. In March 1995, Keat Chon, Minister of Finance and Senior Minister in charge of rehabilitation and development estimated that the annual revenue lost to corruption amounted to US\$100 million, which is more than one third of the total internal revenue. It is not just adversely affecting the national income and the country’s reconstruction but has severely mortgaged the country’s future by the establishment or reinforcement of a culture of corruption and nepotism.

The causes of corruption are complicated. While the lack of government financing, education and poverty are the fundamental factors, the endorsing / approval process for both public and private projects has also promoted corruption and led to an uncontrolled exploitation of nature (Curtis, 1998:147).

Corruption is a very serious hindrance to the implementation of government policy and is an impediment to development. Laws not being enforced, development plans lacking implementation, regulations being violated, and favouritisms and nepotism are the immediate results of corruption.

A diplomatic cable leaked to the press by the then Australian Ambassador to Cambodia, John Holloway, might reveal the seriousness of corruption in the country. He stated:

“Corruption at every level of society has again become a way of life in Cambodia. Every business deal must have a cut for the relevant minister (or Prime Minister) and every transaction involves a percentage for the relevant official in a situation where most government

ministries are barely working... Cambodian public servants on an average salary of US\$28 per month [an ordinary policeman or soldier received only US\$14 per month] are only motivated to attend their offices at all by the possibility of making extra money. Where police, army, or local officials take bribes or illegal imposts, however, there is high level of resentment building up.”³⁰⁰

Corruption in Cambodia, as Curtis (1998:147) suggested, has a political dimension. The sentiment of the public has turned into a scornful attitude towards politicians and government agents. The researcher in various discussions with local people has verified this phenomenon, which has critical implications on the community based tourism development programmes. While the partnership of private and public sectors is crucial to effective development, their relationship has been deteriorating. Curtis (1998:148) gave a precise description on Cambodia's problem, “institutionalised corruption limited private investment in the country... [and] that such an environment allowed the rise of numerous illegal, and hence highly profitable activities including money laundering, narcotics traffic, and prostitution and trafficking of women and children.”

Political Issues

Politics is a critical barrier to the development of tourism in LDCs³⁰¹. Politics has two implications in Cambodia: it intervenes in tourism development and political instability hinders investments. While instability is an anathema to tourism (Poirier 2001: 35), it is the normalcy in Cambodia.

“These days, nobody gets in the way of Hun Sen, 49. He has no political or military rivals. In his 15 years at the top of the heap in Cambodia, he has never been stronger.”³⁰² (Chhon, 2002)

After the signing of the Paris Peace Accord in 1991, the four fighting factions have agreed to share power. The internal tension, however, remains stretched. Various incidents suggested the necessity to maintain the balance of power and to release the stress of the system.

The political structure and environment are still fragile even after the surrender of the Khmer Rouge. The fragility is further enhanced by the vulnerability of the

economy. Structural adjustment, which has effects on the position and interests of the political elite, has met with resistance. Wealth is crucial for the creation of political power. Competition for resources and economic benefits has increased the tension among competing interests. The formation of the coalition government has prompted an embryonic democratisation. The process has been slow and full of uncertainty. Poirier suggested (in Dieke, 2001: 35), “conventional wisdom stated that economic change required non-democratic political structures to be achieved, but that appears to have been reversed to conclude that democratic structures are essential for economic restructuring.” While international agents have heavily promoted democracy, its appropriateness to the current Cambodia is debatable.

It was February 2002, when CPP won 1,597 out of the 1,621 communes in the election; Prime Minister Hun Sen gained decisive control over the system. Although foreign monitors challenged irregularities against the international standard, the election outcome marked an end to the rivals, including the royalist party Funcinpec and the opposition Sam Rainsy Party, and internal conflicts. Being a strong man, according to CCP, is a credential to get Cambodia out of poverty and civil unrest. A divergent opinion, however, suggests the pride and arrogance of Hun Sen might provoke the opposition’s resistance. Hun Sen, “inappropriately”, openly challenged the King, “I have no right to be the king, but I have the right to create a king³⁰³.” According to the Constitution, he has the authority to cast a veto to deny the creation of the king³⁰⁴. Hun Sen attempts to position himself against the King in a high profile manner (Chhon 2002). Hun Sen, with the support of foreign aid and donations, established more than 1,729 new schools³⁰⁵, all named after him. Hun Sen’s recent measures related to the judicial reform, law enforcement, and the assassination of Piseth Pilika, have received much criticism.

The political geography within the country and of the region is complicated. The recent development of ASEAN, however, has eased some tensions among its members. Peace is more likely to be sustained.

From an administrative perspective, politics interferes with development. As suggested by Keat Chon (1995), development in Cambodia is seriously influenced

by the preference of the political agenda. Development concepts and models shift from one extreme to another as political regime change. Politics, therefore, have clouded the development prospects and potential of the country. It might appear that it would be preferable to promote a free market mechanism. In fact, situations in LCDs are more complicated than expected. Most of the private sectors are associated with political muscle. The public and the private sector are intertwined with one another and form alliances, in the form of political clientele, that enable them to interfere in the market. This cross-sectional manipulation of the market is often free from the monitoring mechanism from various stakeholders.

Throughout the research period, there was no report on ethnic conflicts and confrontation. Nevertheless, the situation is perilous owing to the uneven distribution of wealth among ethnic divisions. The Chinese still own most of the businesses in large cities, such as Phnom Penh, Battambang and Siem Reap. They are better equipped with business knowledge, connections and capital. Therefore, they have the upper hand to grasp the opportunities for development and creation of wealth. An additional consideration is the cohesiveness of the Chinese group. They have their own society and community, supply chain, education and religious establishment. It is difficult for the non-Chinese to access into the Chinese community. This inequity is a development issue which requires special attention.

*“Without their [International Donor Community] support, we would not have been able to reach the current level of progress and achievements.” Keat Chhon, Sr. Minister in-charge of Rehabilitation and Development.*³⁰⁶

Cambodia is an aid-driven economy. International aid and assistance is accompanied by setbacks. They impose conditions, such as the liberation of the domestic market to which RGC has to abide. They have their own agenda and objectives, which might be in conflict with one another or in contrary to Cambodia's needs and desires.

External influences also stem from direct foreign investments. The favouritism, which RGC offers in the form of incentives, insurance and protections to attract foreign investors, often has negative impacts on the domestic businesses. Many of the traditional small businesses, small hostels, restaurants and retailers have been

unable to compete with from those large foreign projects.

Given the environmental sensitivity of Cambodia and the potential impacts of tourism, it is critical to have good governance for tourism development. Williams and Shaw (1998) maintained that tourism is highly regarded by various governing authorities because of its ability to create wealth and employment but its role is contingent. As reported, the development of tourism does not automatically benefit the local community, especially the poor. For example, many hotels rely on the importation of materials, supplies and human resources. Job openings available for the local Cambodian, though mostly restricted to lower level manual positions, are attractive and have induced population movement from rural to urban area. Job opportunities have quickly filled up. Without a job, living in cities is extremely difficult. Some eventually became sex workers, petty criminals, or beggars. Many girls were being sold to traffickers and brothels. Children left school and served as tourist guides and were exposed to various threats³⁰⁷.

As an economic activity, there is no doubt about tourism's ability to generate revenue. Still, as a development agent, the contribution of tourism to welfare of the people, requires cautious planning and careful execution. The great lack of resources and public services makes effective planning for tourism development even more critical in order to avoid marginalization, inequity and unsustainable growth. Despite the fact that MoT was established to take care of tourism, there are various loopholes, crossovers, and redundancy among various ministries. This uncoordinated approach has prevented the maximisation of tourism's benefits.

DEVELOPMENTAL ISSUES

Tourism

Tourism could be detrimental to sustainable tourism development. Uncoordinated tourism development, the influx of mass tourists and irresponsible tourist behaviours are detrimental to a destination's sustainability. The problem is partially driven by tourism policies, which favour numbers rather than quality. The researcher identified the "bad tourist drives away good tourist" syndrome, which refers to the situation when the "bad" behaviour of some tourists degrade the destination's attractiveness and affect the satisfaction of other tourists to such an

extent that “good” tourists forego visiting the destination. For example, several tourists in their conversations with the researcher revealed their grievances against the irresponsible behaviours of other tourists, such as climbing up the statues, yelling and shouting in the museum, littering and showing no respects to the local people. They suggested that they will, if they could, avoid these “bad” tourists.

As witnessed in Cambodia, tourism has several critical impacts on the local community when they interact. Tourists also encourage crime and immoral practices. Prostitution, looting and the smuggling of artefacts, pickpockets, and child labour are just a few to be mentioned. According to a local taxi driver, it is not uncommon for tourists to ask him to take them to a brothel and / or to buy looted artefacts of the Angkor.

The reliance on foreign investments for infrastructure and development also imposed a challenge to the RGC. On the one hand, the incentive given to foreign investment discriminated against the local projects. On the other hand, development is largely dominated by external interventions. The RGC has become passive and submissive.

Wrong Perceptions on Growth and Volume

No development can occur without economic growth (Perkins, 2001:10). Policy makers, however, must appreciate the fact that it requires more than economic growth to ensure development, not to mention “modernization.” In various discussions with local officials, however, it was noticed that they have a wrong perception that development is caused by economic growth. Their concentration on promoting economic growth without addressing development needs might lead to further marginalization of the poor and eventually more social problems, such as crime, corruption and prostitution. Foreign domination, too little community involvement, insufficient attention and concerns to minorities, and disregard of the problem of marginalization in the process of development might lead to more social problems and the deterioration of the local economy.

In the tourism game, arrivals are the yardstick of performance. It has received most of the attention while carrying capacity, average yield, sustainability and welfare are often neglected.

Market-driven Economic Reform, Westernisation and globalization

The market-driven economic mechanism or the Chicago School of Economics suggested that the market would regulate itself and maximize the benefits. This capitalistic axiom has underlying weaknesses when applied in LDCs. Given the sensitivity of the country's social, political, economic and natural environment, any development attempt that fails to address the environment from a holistic perspective might end up as detrimental to an already fragile stability. The maximization of individual benefits might not necessarily contribute to the welfare of the whole community. Quite controversially, it has been proven by various incidents, such as illegal logging, that the absence of centralized planning and control development has devastated sustainability. Developments in Latin America, Russia, Poland and India have clearly illustrated the social problems created in their processes of economic reform. Market often failed to address the problems of marginalization, poverty, corruption and inequality. Goals will not justify the means. This is not to deny market liberalization but to suggest the necessity of effective planning and control.

“Self-conscious, autonomous development is... objectively necessary...” Summers (1976³⁰⁸). Ear (1995), however, argued that autarky is generally discredited today. Integration, liberation, privatisation and deregulation are the new axioms of our modern epoch. Modernization has been equated with westernisation or globalization, which can be understood as to become more like the United States or Western Europe (Perkins, 2001:10). Globalization, however, might be deceiving. It might even be the wrong end of development (Boulet, 2002³⁰⁹). The promotion of what the developed world would regard as credentials for modern civilization might well be excuses for the new imperialistic invasion to further marginalize the poor, third world nations. Development can be biased and could bring more miseries than prosperity. Aid might be abused to institutionalise addiction and dependence. It is beyond the scope of this thesis to investigate the development paradigm as related to globalization and human rights. Yet, it is morally crucial to consider the impacts of development, westernisation, globalization and indigenisation in the process of promoting tourism development.

Non-tourism Economic Activities

The relationship between tourism and non-tourism industries seems to be remote but, in fact, it is critical and direct, especially in LDCs like Cambodia. Various industries are competing for limited resources, including land, labour, water and financial resources. In Cambodia, the human resources of the country together with the human development infrastructure have been destroyed during the prolonged civil war and political turmoil. Scarcity of resources is a hindrance to development. Although it has not created a major pressure on inflation, many developers and investors revealed their concerns about not being able to recruit able workers locally. At the same time, various types of economic activities have different side effects. For example, hydro-power and dam building has a devastating impact on fishery and irrigation systems for rice plantation and has affected the flow of freshwater; the logging activities damaged the forest, which in turn affected the fishery and the natural scenic environment. Agriculture, especially rice plantation, has been the major economic activity of Cambodia. The agrarian industry is hampered by various issues and thus released human resources to other economic sectors including tourism. The development of tourism, on the other hand, has promoted rural-urban migration and loss of land, which, in turn, also deepened deagrarianization. This is revealed by local respondents and the researcher's observation.

Prawn farming is another example. International organizations, especially ADB, local governments and various community groups have promoted prawn farming as a resolution to poverty. In 1998, prawn farming generated more than US\$ 100,000 to the Vietnamese economy and became the fourth greatest foreign exchange earner (Oxfam in Action, 2000 winter). The economic value of one kilogram of prawn equalled five hundred kilogram of rice. The rapid growth of tourism business in Thailand and Vietnam also promoted the demand for tiger prawn. The support from local governments and NGOs catalysed the prawn farming industry's rapid growth. The economic benefits of prawn farming come at a cost. The damage to the mangroves and the aquatic environment, potential conflicts between prawn farmers and rice peasants have actually intensified the problem of marginalization and enhanced poverty. For a destination that relies on the eco-environments as attractions, the problem is even more momentous. The loss of

mangroves, flora and fauna are irrevocable. In the midst of massive development, the over-supply of tiger prawn has driven down its prices. Farms became unprofitable, and eventually were abandoned. The lessons of Vietnam and Cambodia demonstrate that prawn farming, as an alternative, has to be implemented with great caution.

“The forests of the Mekong Region are perhaps one of its most contested, and most rapidly dwindling resources. Most rural communities have intimate connections with the forest. In the lowlands, forest products provide a source of energy, medicine and valuable food supplements to settled rice agriculture systems. In the highlands, populated primarily by ethnic minority groups, communities are virtually dependent on forest ecosystems as the context for all of their livelihood activity. In both lowland and highland communities, forests have been particularly important to the roles and responsibilities of women, who harvest its produce and best understand its cycles. For these people, forests mean much more than just trees: they are incredibly abundant and diverse sources of nourishment.” Cornford and Simon (2001: 44)

Another major economic activity in Cambodia is logging. Forests and mangroves are significant economic renewable natural resources (Cornford and Simon, 2000; Bann, 2000). They play an important role in protecting the environment, and are of paramount importance to socio-economic development. On top of timber, forests provided fodder, protein, fruits, gums, resins, dyes, mushrooms, medicinal plants and other non-timber forest products for the locals. The forest ecosystem, which covers more than half of the total land area, is rich in biodiversity as can be attributed by species richness and endemism. Currently, protected areas comprise approximately 3.2 million ha of forests, leaving an area of about seven million ha for production forestry. Concessions were granted to manage about four million ha.

Logging is one of the most important economic activities of the modern Cambodia as trees are the most exportable and exploitable resource. Forests in Cambodia and in the Mekong region as well, are under the most serious threat ever. According to Cornford and Simon (2001), the forest cover of Laos diminished from

about 70% in 1970 to less than 40% in 1997. The situation in Cambodia is even worse. The massive timber extraction exceeded four million cubic meters a year. The commercial timber concessions cover approximately 35% of the country (Cornford and Simon, 2001:45) but actual logging activities extend beyond this limit. Deforestation in Cambodia is so severe that it has become a controversial topic that has caught the attention of both the local and international arenas. Although various attempts have been made to preserve the forest, the results have not been encouraging.

The RGC find it difficult to control illegal logging activities. As Cornford and Simon (2000) suggested, the concept of conservation is weak and narrow. The forest has been regarded as a resource awaiting cultivation. As long as they can find reasons to justify it, the forest and the natural environment are something that they are willing to trade off. The ADB should also be blamed for exacerbating deforestation in the region. “Through a range of actions, the Bank has often unwittingly, ignorantly, or sometimes even negligently contributed to the rise of unsustainable logging practices” (Cornford and Simon, 2000:45).

This damage to the natural environment threatened the livelihood of the ethnic people, and has driven them out of their homeland and destroyed the traditional ethnic communities. This has also degraded the attractiveness of the concerned areas and thus imposed an adverse impact on the long-term sustainable development of tourism.

Dam projects promoted by ADB, WB and foreign nations have had serious impacts too. The changes to water flows and volume have imposed threats to the natural environment, agriculture and fishery activities. Dams in the upper stream Mekong have already affected Cambodia’s eco-system. Prawn farming, hydro-dam and logging are just a few examples to illustrate how other industries might affect the development of tourism in terms of their impacts on the natural environment. These examples illustrated the necessity to manage and preserve the environment so as to ensure the viability and sustainability of tourism.

International Competition

Severe competition is one of the main challenges that Cambodia has to face in developing tourism. “Neighbouring countries not only promote their own scenic and historic attractions, but also possess better-developed infrastructure, access and perhaps most importantly, the perception – indeed, a reality until recently – that they are safer and more secure.” (Hall and Ringer, 2000:182). Given the various concerns tourists might have over visiting Cambodia and the counter attractions in the neighbouring countries, many visitors regarded Cambodia as a side-trip destination. Thailand and Vietnam, for example, are their main destinations. Their visits to Cambodia, therefore, are delimited, both in terms of duration and revenue.

Competition also stems from new destinations, such as Myanmar and Laos. These countries have also pinpointed tourism as their development agent. Competition in the long run, therefore, can be expected to become more rigorous. To pin the hope on tourism, therefore, requires a proactive approach to strengthen the competitiveness of Cambodia as a destination.

SUMMARY

This chapter has summarized the situation of Cambodia’s tourism development in the form of barriers and critical issues. The presented obstacles, however, are only a fraction of the foreseeable hurdles to be overcome. More impediments can be expected. These impediments, however, do not decline the potential of tourism in Cambodia as a development agent. It only suggested that the tourism governance mechanism has to invest extra efforts in the development of tourism and reiterated the needs for effective collaboration of various parties in the governance of tourism. In the next chapter, the researcher attempts to provide some recommendations, both in the short term and the longer term, for the authorities to consider in rectifying the situation and to maximize the benefits of tourism to the people of the country.

²⁸⁴ 80% of the Cambodian population is living in rural areas and agriculture is their major source of income. In 2001, agriculture accounted for 32% of the economy (ADB, 2002)

²⁸⁵ The lack of academia is a major problem but more importantly is the disgraceful remuneration packages. Teachers cannot rely on their pay-cheque for a living. Classes and efforts, therefore,

were cut short for private tutorials.

²⁸⁶ Seminar conducted in Hong Kong On December 7, 2001.

²⁸⁷ Interview with Jiang Huai Ying is conducted on Dec 2000 in Siem Reap after the WTO conference.

²⁸⁸ Cited in Hall and Page (2000:82)

²⁸⁹ US State Department. Retrieved from WWW on 8th April 1998 and 30th July 1998

²⁹⁰ The Killing Field, directed by Roland Joffe, is a Hollywood block buster which describes the civil war of Cambodia

²⁹¹ Grindle, Douglas. (1998). Danger Mines: a special supplement of The Cambodia Daily
http://camnet.com.kh/cambodia,dailt/land_mine/1.htm

²⁹² http://camnet.com.kh/cambodia,dailt/land_mine/page_3..htm

²⁹³ As at 1998, there are 20 EOD teams working at CMAC and four with the Mines Advisory Group (Grindle, 1998).

²⁹⁴ According to funded by NGOs, 70% of all casualties are in the northwest of Cambodia, with half in just 20 districts (Grindle, 1998).

²⁹⁵ Anon. (2001). Cambodia on way to losing next generation, SCMP.Com, 1st December 2001.

²⁹⁶ Colet, John. Eliot, Joshua. (1997). Cambodia Handbook, Footprint Hand Books, pp.9

²⁹⁷ The CFF was founded on Oct 21, 1998, at the Cambodian-Thai border near Poipet as a rebel group to overthrow the Hun Sen and the communist-styled government under the influence of Vietnam at that time.

²⁹⁸ Interviewed on Nov 22, 2001 in Hong Kong

²⁹⁹ Anon. (2002). The emerging crisis to the Cambodian banking industry (In Chinese), SingPao, 18th March, 2002

³⁰⁰ “Holloway’s ‘protected’ cable, dated June 9, 1994, subsequently was leaked to the Sydney Morning Herald and published on October 5. An edited text of the diplomatic cable was later printed in the Phnom Penh Post. Australian Diplomat’s Cambodia Analysis, Phnom Penh Post November 4-17, 1994, pp.12-13. Written during his final days as ambassador to Cambodia, the cable, which among other things was critical of King Norodom Sihanouk, proved highly embarrassing to the government of Australia and to John Holloway, who serving as adviser to the Cambodian minister of foreign affairs at the time of leak. The Post was chose not to print Holloway’s criticism of the king “out of a concern that officials in Phnom Penh might use the accusation of lese majesté to close down the Post.” (Curits, 1998:212)

³⁰¹ Development is perceived by the Cambodian government as an important tactic to marginalize and eliminate the potential threat of the Khmer Rouge. The success in Siem and Reap, in contrast to the situation in Battambang, suggested that development as a model of national reconciliation is capable of bringing peace (Curtis, 1998:34-35).

³⁰² Chhor, Prey. (2002). Cambodian Wipes slate clean of rivals, International Herald Tribune, 20th March, 2002.

³⁰³ Chhor, Prey. (2002). Cambodian Wipes slate clean of rivals, International Herald Tribune, 20th March, 2002.

³⁰⁴ According to the constitution, the King of Cambodia cannot appoint his successor to the throne. It is the Throne Council, a nine-member committee, who select a new king from a wide pool of royal relatives. Hun Sen was said to have control of the council. (Chhor 2002).

³⁰⁵ 1,729 is a record by the King Sihanouk

³⁰⁶ Speech reported in June 1998 Phnom Penh.

³⁰⁷ The youngest tour guide the researcher have met is only 5 years old.

³⁰⁸ Cited in Ear 1995

³⁰⁹ Boulet, Jacques. (2002). Personal discussion on May 13 in Hong Kong. Professor Boulet is a specialist on globalization and sociology.

Chapter 8:

Conclusions ~ challenges, policy implications and Recommendations: the development of indigenous landscape and the war against poverty

“Intellectuals solve problems, geniuses prevent them.” – Einstein

This final chapter of the thesis outlines the conclusions and states the limitations. Recommendations are made for use of the results of the study and for future research. The thesis developed a tourism system model for Less Developed Countries. Making use of Cambodia as subject, the model is modified and verified with evidence. The model, then, was utilized to identify the problems of Cambodia and recommendations are made accordingly. The discussion focused on the tourism system, its members and how they could and should be involved so that the development can effectively address the nation's need for development. It is obvious that the study has ended with further questions and gaps in knowledge to be filled by future research.

SUMMARY OF THE STUDY

“Cambodia is still recovering from more than 20 years of war and isolation and, despite making progress in improving the quality of life of its citizens, the government – together with donors, needs to do more.”
Asian Development Bank (2002)³¹⁰.

This thesis is about tourism, development and poverty in LDCs. It attempts to investigate how tourism could address the various developmental issues. A tourism system model was developed by induction to enhance the understanding of how tourism functions in a LDC setting. Issues including poverty, inequality and sustainability were the main concerns of the research.

The proposed tourism system model incorporated an outer circle and an inner logistic circle. The outer circle consists of various contextual factors and the inner circle incorporated major stakeholders, viz., government, community, tourism private sector, external intervention and infrastructures.

This model distinguishes itself by its emphasis on the unique nature of LDCs. It utilizes Cambodia as a case for validation. Cambodia's unique context served as an important parameter, which governed the scope of the study.

The research objectives included: 1) developing a tourism system model for less developed countries; 2) applying this model in the case of Cambodia; 3) verifying the roles of government and external influences in tourism development in less developed countries; 4) discussing and commending upon the adequacy of this model for the study of tourism operation and its development in Cambodia; and 5) providing recommendations to the further development of tourism in Cambodia.

The researcher wishes, by this study, to contribute not only to knowledge but to the quality of life and welfare of people who are living under the combined threat of poverty, disease, instability and inequality. Although the study is subject specific, its findings and recommendations apply to a wider array of LDCs. While Cambodia has its unique historical background, problems and potential for developing tourism, the generic issues, viz., poverty, income and asset inequalities, rapid population growth, low level of literacy, malnutrition, urban unemployment and underemployment, rural poverty and landlessness, inadequate and inappropriate education and health services, inflexible and ineffective institutional and administrative institutions, vulnerable economy, reliance on foreign aid and assistance, cultural and natural degradation, are held in common with other developing nations. These issues often define and determine the generic nature of under-development among "the culturally diverse and physically varied Third World nations" (Todaro, 1992: xxv). This thesis and the model proposed, therefore, could be applied with modification to the understanding of the tourism system in other LDCs and contribute to community-oriented tourism programmes.

Every nation wants to ensure its subject's well-being and quality of life (Crouch and Ritchie, 1999). In Cambodia, the results argue that the contextual constraints confined viable options. While the selection of tourism as a development agent is quite common among other LDCs, this thesis identified challenges and obstacles in both planning and development of tourism in LCD settings.

Findings suggested tourism governance is imperative to manage the

development of tourism. Chapter 5 and 6 presented and verified the system model with the experiences of Cambodia. The model distinguishes itself from past work by incorporating additional components, viz., the Third sector and external intervention. It also further emphasized the importance of government and community. Chapter 7 identified a number of problems, obstacles and barriers for the development of tourism and discusses how to utilize tourism as a development agent.

This chapter presents some recommendations, which attempt to answer Lickorish and Jenkins' (1997) questions concerning tourism policy, which include: "What type of product can be supplied? What type of tourism product should be supplied? How should tourism be marketed? Which type of tourist might be attracted? And what are the likely impacts arising from the policy choices?" (pp172-174). In other words, it attempts to provide recommendations for developing tourism in LDCs to alleviate poverty and promote sustainable development. There is no simple answer to these challenges (Dieke 2000). Policies must be formulated with careful consideration of the different alternative's political, social, economic and environmental implications.

SUMMARY OF FINDINGS AND IMPLICATIONS

Why Tourism?

The case of Cambodia has verified the value of tourism as a development agent for LDCs. Although developing tourism in an LDC might have to face various challenges, it could be the most viable option, especially when both agricultural reform and industrialization are not viable.

Exploitation of the poor by foreign investors and the local elite hindered development. The Gandhian model of development suggested the revival of villages as the only way to maximize employment and to minimize marginalization and exploitation. However, village industries, which are generally small in scale, have to face various problems, viz., paucity of finance; scarcity of raw materials; lack of control on quality and quantity; marketing and communication difficulties; and lack of research facilities (Bharathi 1994:21). Village-based industries are

feasible only under the government's protection, which is against the rule of fair trade.

Figure 8.1: Special Advantages in the Development of Village Industries

- They are labour intensive;
- They need only simple techniques;
- They facilitate decentralization;
- They are near to raw materials;
- They help supply local needs;
- They help in the production of wealth from waste; and
- They help in solving the unemployment and under-employment problem in the villages.

Sources: Bharathi, K.S. (1994) Gandhian Approach to Rural Development, pg. 19.

Tourism has been recognized for its merits in generating quick revenue in foreign currencies, low initial investment requirements, good multiplier effects, and its scale and growth potential. Tourism is critical to Cambodia. After the prolonged civil war, a large proportion of educated citizens were exiled or executed. This had a serious impact on the supply of human resources. Industrialization is hindered by the lack of domestic supplies and services such as power supply and back-up industry³¹¹. Major exports including textile and rubber, on the other hand, are either failing or are facing severe competition.

Alternatively, the country can embrace natural and historical attractions, which can be capitalized for developing tourism. Tourism, therefore, became the hope for the nation to accomplish social rehabilitation and development.

Furthermore, it is more realistic to organize local communities and finance to participate in small-scale tourism operations. These small-scale operations can ensure a more equitable share of opportunities and economic benefits. For example, there are villagers in Siem Reap participating in tourism through the provision of tourist guide services, the supply of souvenirs and foodstuffs. The development of tourism still has to overcome various obstacles. Even small-scale investments are difficult to solicit. Government and the Third Sector, therefore, might have to step in and facilitate with the initial financial and technical assistance.

Challenges

Cambodia has to face a paucity of credentials and some immense obstacles and challenges in development. To summarize, shortfalls includes: inadequate technology, limited human resources, and absence of public finance, local capital and infrastructure, the lack of a coordinated plan, efficient implementation, reliable law and enforcement, effective governance, and social security. Challenges include pollution, cultural degradation, corruption, marginalization and discrimination, poverty, and external intervention.

The relationship between them is complicated. They are at the same time the cause and effect of each other. For example, the lack of effective governance is partially caused by the lack of public finance, human resources and technology. The lack of effective governance, on the other hand, has a detrimental impact on the development of local human resources and the public finance. To lift the barriers, therefore, demands a holistic.

The Tourism System

The findings reconfirmed the multi-disciplinary nature of tourism. In Cambodia, tourism signifies a complex logistical network of participation, interests, and relationships. It also revealed that the contextual factors are, in fact, direct-action environments, which have strong implications for the development of tourism. The government, private sector, local communities, foreign investment and the Third Sector are the stakeholders, players and the pillars for the development of tourism. Especially for LDCs like Cambodia, a mechanism or a programme must be installed to mobilize these players and to collaborate their influences and resources towards the common goals and missions of development.

This thesis addresses the phenomenon of tourism development in the context of the marginal and peripheral area set against its impact, both obvious and hidden, immediate and long term, on national development and vice versa. The tourism systems model was constructed using Cambodia, a LDC with severe poverty, as the subject of investigation. The model was divided into the outer rim circle and the interior logistic circle. The outer circle is often referred to as the contextual or indirect action environment. Results, however, suggested that these factors, though

sometimes remote, have direct impacts on the development of the tourism. They might even dictate the developmental process through resources allocation, aid, assistance and other forms of influence. Failure to recognize the existence and significance of these factors might seriously affect planning effectiveness.

The inner logistic circle of tourism comprises the major players, viz., the tourism private sector, government, the local public, infrastructure and the non-tourism externalities, which featured the third sector. The findings argue for the government's active participation in managing development and tourism, for the sake of development effectiveness and the welfare of local communities. The market-led capitalism, on the other hand, requires conditions, which might not be available in many LDCs. This reiteration of active governmental involvement in tourism is one of the new knowledge added to the subject area.

Local community's involvement is critical but hindered by the lack of information, knowledge and skills. The situation can only be rectified by proper empowerment and government's support. In other words, the government has to actively participate in transitional arrangements for decentralizing planning and implementing the programme at the local level. The thesis also argues that the extent to which local communities participate in development has a limit.

The thesis reached a few conclusions. Despite the complicated network of relationships in tourism, a systematic framework can be utilized to identify key players and to assess their roles and influences in the development of tourism. The evidence from Cambodia suggested the criticality of government, the Third Sector, the private sector, and the community in the development of tourism.

Tourism and development have posed a challenge to the less developed world and that is the challenge of governance. Governance is to ensure the accomplishment of the social goals. The complexity of tourism makes governance more complicated but also more important. It requires a flexible systematic approach, which takes into consideration the locality, the concerned communities, its inhabitants and the environment surrounding it. The Poverty Research Unit at Sussex's PRUS News (2001) claimed, "it would seem unduly optimistic to assume that, without substantial changes in policy, the climate for poverty reduction – in

regard to global economic growth, trade liberalisation for developing country exports, changes in labour-intensity of production methods, etc. – will be much more favourable for the poor in 1998-2015 than was the case in 1990-1998.”

The thesis also addresses the issues of corruption and rule of law, health and safety, AID/HIV, cross-sector collaboration and the social safety net in conjunction with the discussion of tourism development. Although these issues seem unrelated, these critical factors intermingled with one another and created a complicated networking that affected the development potential of a destination.

LIMITATIONS AND DELIMITATIONS

One of this thesis’ major limitations is the selection of the subject. As Jamieson (2002) observed, Cambodia is so unique that there is difficulty in generalizing a model for other LDCs. The tragic war background, the brutal rule of Pol Pot, the mass scale destruction of civil systems, the cultural wealth of Angkorean and the political tensions, for example, compose a unique setting. In its state of being one of the poorest nations, Cambodia also shares many other LDCs’ commonalities. Similar social and economic problems, political tensions, ecological threats and contextual settings can be found in countries such as East Timor, Pakistan, Palestine, Croatia and Afghanistan. Consequently, the models and frameworks presented in this thesis can be applied to other LDC cases with modifications and adjustments.

The paucity of data and information regarding the subject and the uncooperativeness of some local respondents were barriers to this study. Although the plethora of information on politics, international relationship and social crisis compensated for part of the problem, the general shortage of documentation and creditable sources of intelligence are fundamental constraints. In response to this, the thesis has employed alternative sources and methodologies to rectify the situation and to fill the gaps in information.

Another limitation is the imbalanced representation of respondents. Owing to the limited contacts and sources of information, all possible respondents have been

invited and their views incorporated in the study. This study intentionally incorporated voices of the local community but their number is small.

The researcher managed to maintain a productive relationship with some key informants, which enabled longitudinal investigation of development. For local communities and tourists, however, only cross-sectional analysis is feasible.

Last but not least, the time and financial constraints, and language barriers limited the scope of this study. Although alternative research means have been adopted to rectify the situation, more investigations and studies are critical for a better understanding of the subject, its development and to fill the new and remaining gaps.

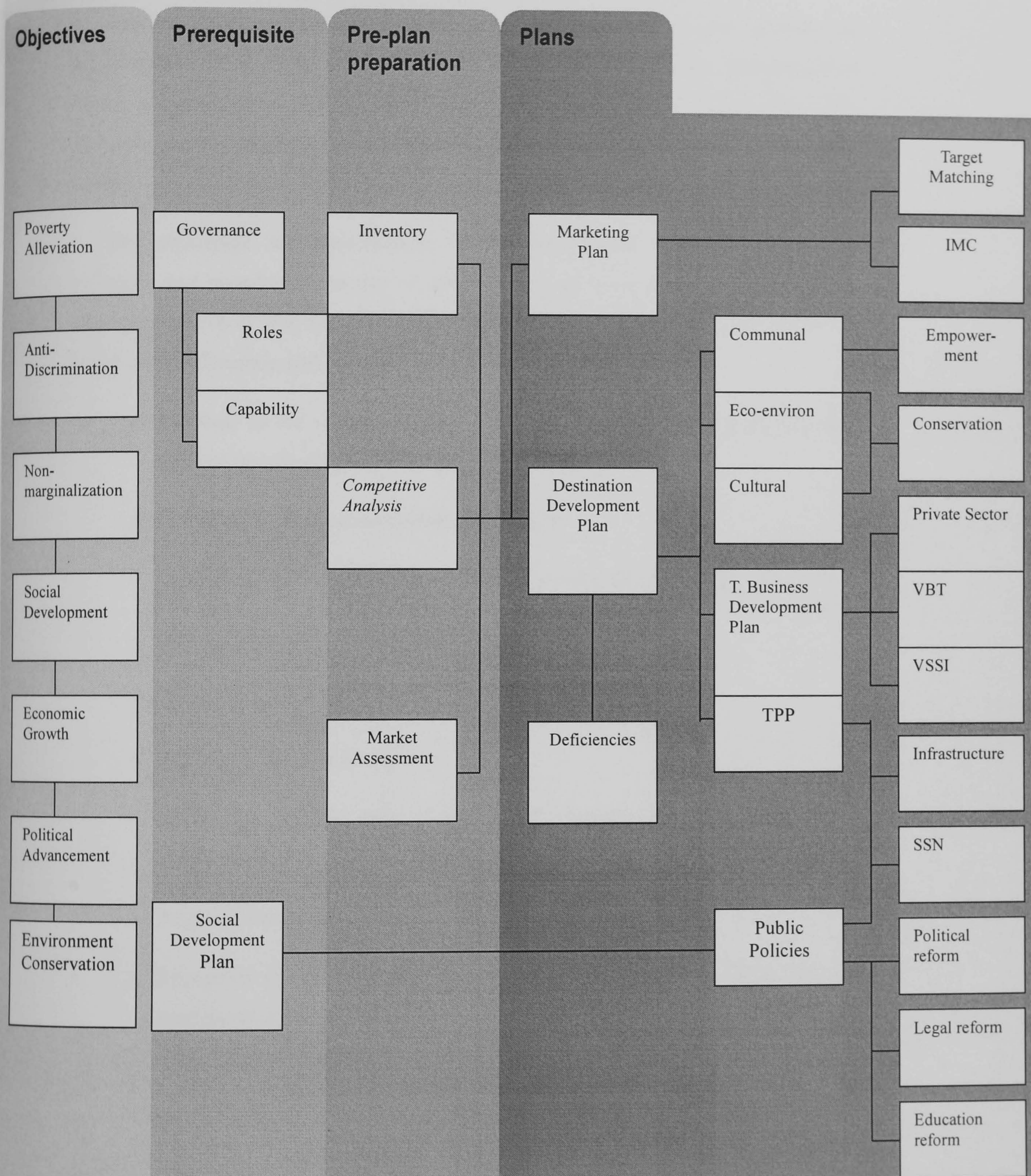
RECOMMENDATIONS

Based on the findings and discussions, recommendations have been proposed and submitted to various key informants including officials at MoT for endorsement. The comments received before the final version of this section have been incorporated below.

Recommendations follow a planning paradigm and structured as the framework illustrated in Figure 8.1. The recommendations cover 4 major facets, viz., objectives, prerequisites, pre-plan preparations, and the plans. It is, however, impossible for this thesis to cover all aspects and components, especially the social development plan and public policies. The discussion, therefore, is delimited to the tourism domain.

The thesis recognizes the resources limitation might have critical impacts on implementation of these recommendations. The obstacles and barriers, however, might mitigate not deny the validity of the suggestions. There might be a substantial lead time for Cambodia to solicit the critical prerequisites for implementing them. It is, however, important to consider the possibility of partial/progressive implementation programme.

Figure 8.2: Framework for Tourism Planning



Note: TPP (Tourism Public Policy); IMC (Integrated Marketing Communication); VBT (Villabe-based Tourism); VSSI (Village Small-scale Industry); SSN (Social Safety Net)

Tourism development has no golden rule. “Different values and interests of individuals involved in the planning process will give rise to different interpretations of the planning problem and, therefore, of planning solutions” (Hall 2000: 43). The plan and the planning process have to be flexible so as to respond to divergent needs.

The objectives for development require operational initiatives, measures, strategies and coordinated tactics to address the issue of enhancing the capability and involvement of various components of the system. The recommendations are based on this direction and should:

- Respond to the objectives of national development (see Figure 8.2) and tourism development for Cambodia (see Figure 8.3);
- Define the recommended nature of tourism;
- Determine the desired scale and pace of tourism development;
- Identify gaps to be bridged and by how it could be bridged;
- Guide future development;
- Provide a planning protocol;
- Define the relative role of the public vis-à-vis the private sector in Cambodia’s tourism development;
- Pinpoint limitations, constraints and drawbacks; and
- Recognize and incorporate the institutional or regulatory framework of tourism development in Cambodia and provide milestones for development of contingency plan(s).

Figure 8.3: The Objectives of Development for Cambodia

Upon its formation in November 1993, the Royal Government of Cambodia, through a collective will and intense effort, started a wide range of challenging actions in various domains and sectors, aiming to firmly steer Cambodia towards the long path of holistic and sustainable development... Courageous reforms and programmes were initiated and some completed, such as the transition from a centrally-planned, subsistence level economy imposed by external blockades leading to a marketing economy.

The most challenging and urgent tasks which faced RGC at the beginning of its legislature, were the following:

- 1) to define the objectives and strategies;
- 2) to ensure economic and financial stability and to put in place the systems, mechanisms, instruments, rules, legislation and practices in order to pursue and deepen structural reforms;
- 3) to design and implement programmes and projects for infrastructure reconstruction;
- 4) to deliver public services, combat poverty and respond to the needs and expectations of the population;
- 5) to mobilize internal resources and external support to implement programmes and reforms;
- 6) to accelerate economic growth, by fostering investments and creating the enabling environment for the private sector to develop;
- 7) to build the human capacity of the Cambodians in managing their public affairs by increasing transparency and accountability, and by strengthening the rule of law and “good governance” as the basis for economic and social development as well as political stability; and
- 8) to opening up of Cambodian society to the world.

Source: Chhon, Keat. (1998). Evolving the Long-term Vision for the Rehabilitation and Development of Cambodia, Cambodian Institution for Cooperation and Peace, Phnom Penh, pp. v.

Figure 8.4: The Objectives of Tourism Development in Cambodia

- To maximize the returns;
- To anticipate and minimize the negative impacts;
- To facilitate and guard the preservation and conservation projects;
- To maintain a more equitable distribution of wealth; and
- To overcome the chain effect of poverty

Tourism development to Cambodia and many other LDCs is more than an economic plan. It embraces the vision of improving the living standards of and social welfare of the people. To accomplish this mission, tourism development has

to be planned and managed. Recommendations include the construction of a development master plan and a tourism development plan describing the roles, level of involvement and mechanisms needed to improve the capacity of various partners in the tourism system. It also calls for a 'pro-poor strategy', which directly addresses the issue of poverty in the process of development.

Figure 8.5: Integrated Tourism Development Framework

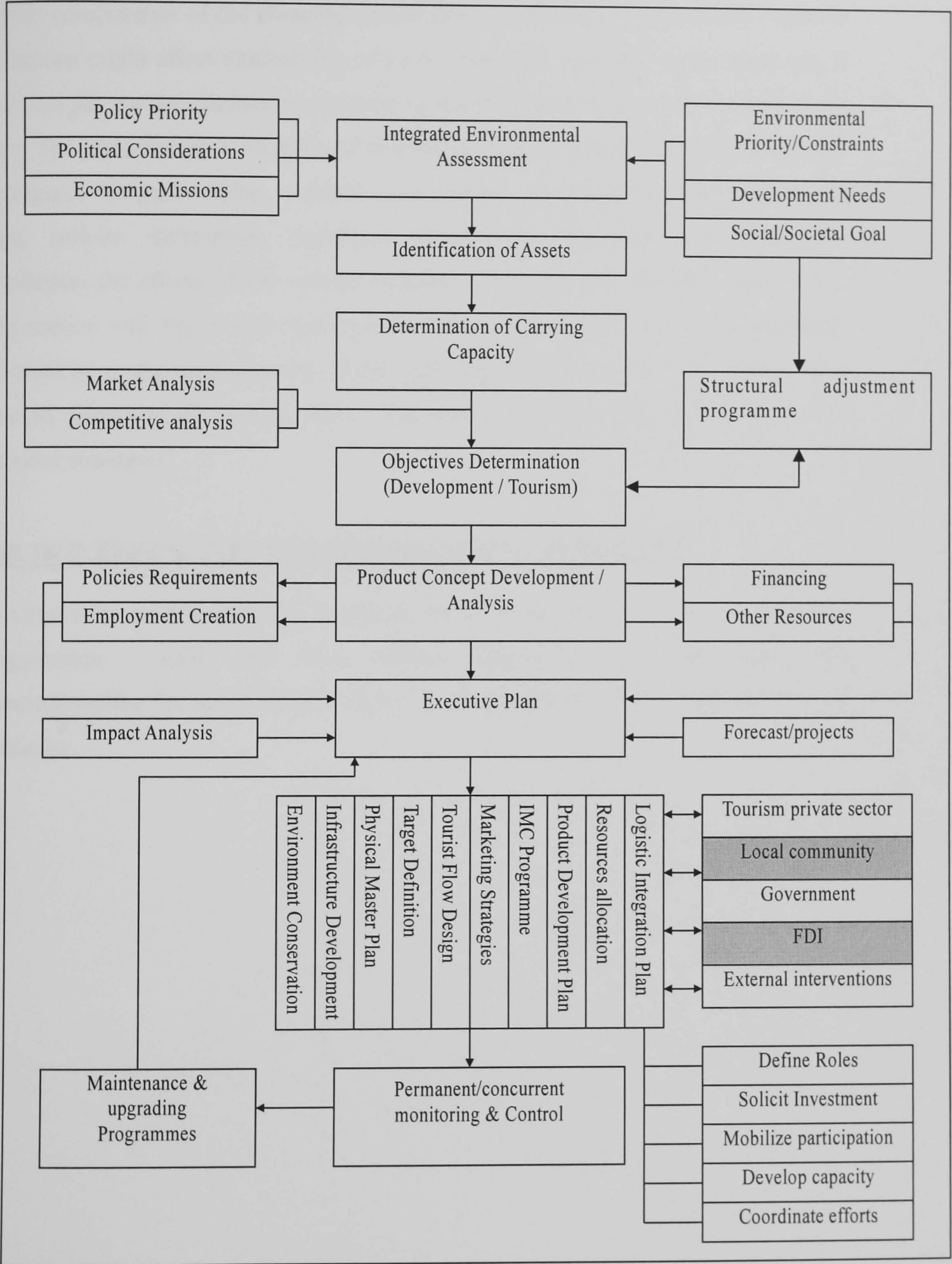
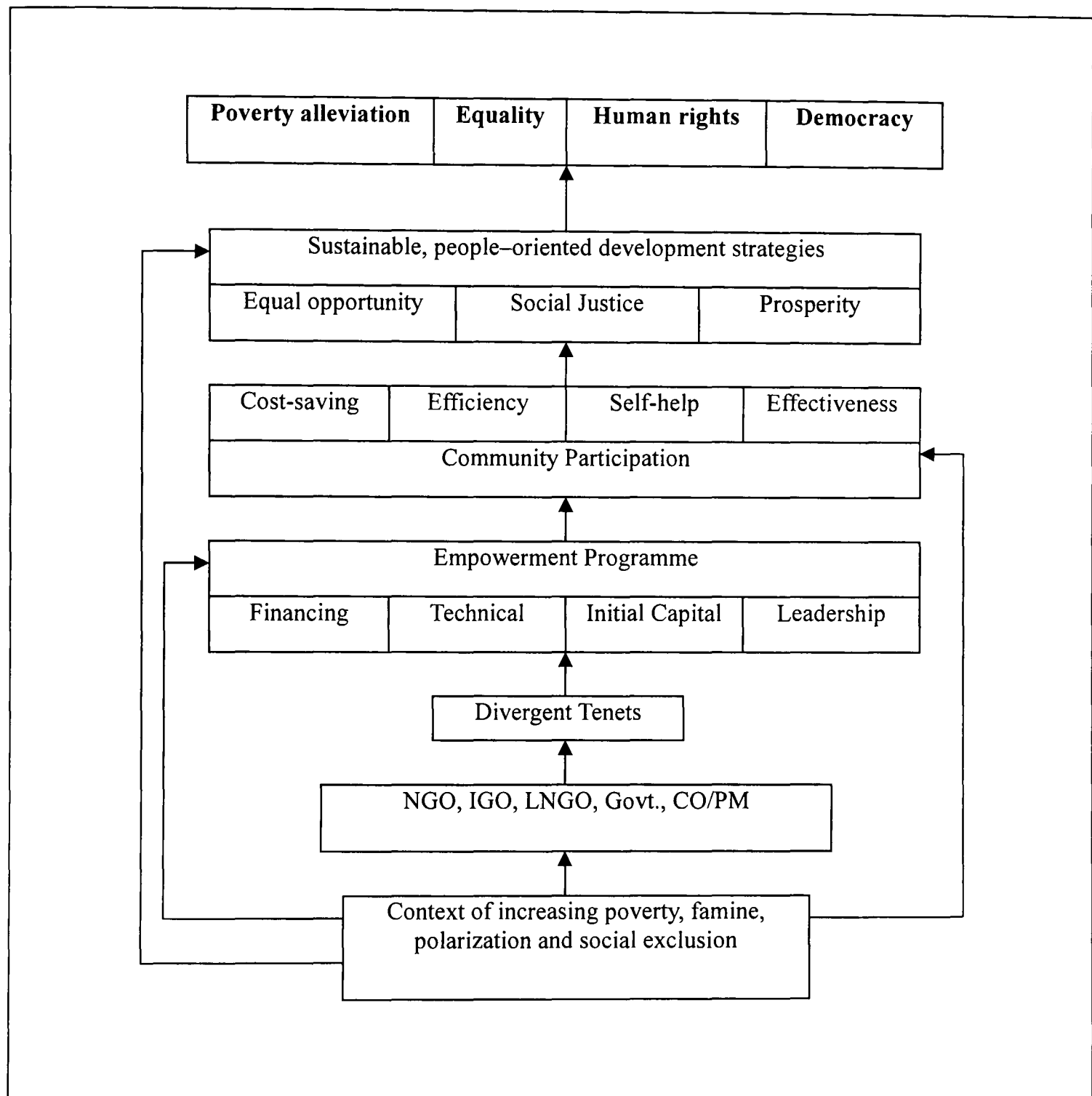


Figure 8.5 illustrates that the effectiveness of tourism development depends on various components of the planning mechanism. Although resources and capacity limitations might affect attainability of such a planning approach in the short run, it is critical for the governance mechanism to develop capacity so as to perform these tasks. The main recommendations of this thesis, in more practical terms, focuses on the logistic integration plan, referred to as tourism governance, which defines the roles, solicits investment, mobilizes participation, develops capacities and coordinates the efforts of the various members of the tourism system's inner circle. This section will begin with some generic recommendations on tourism planning, followed by re-defining the roles of the various players and then move onto a more detailed discussion of each in turn. The chapter will conclude with a section on pro-poor strategies.

OBJECTIVES OF TOURISM DEVELOPMENT

Objectives govern policies, strategies and thus the results of the development programmes. RGC has two critical assignments: to consolidate and constitutionalize the set of objectives; and to communicate with various sectors and ministries.

Figure 8.6: Objectives that govern development



On top of revenue generation, tourism has rehabilitation, sustainable advancement of living standards and the welfare of the community as its missions. The development of tourism, therefore, should promote fair access to resources and opportunities; a fair working and trade environment; poverty alleviation; capacity development; and environmental preservation (see Figure 8.3 and 8.6). Without clear and comprehensive policies and strategies, a range of structural reforms designed to stabilize the economy, a proper functioning of all institutions, appropriate capacity, the rule of law and democracy, and a favourable investment environment, it is not possible to improve living standards (Chhon 1998:2) and missions could only be beautiful slogans.

Prerequisites

Governance

The major recommendation is the enhancement of governance. Although tourism governance is the collective action of various stakeholders, the forthcoming recommendations largely focus on developing government's capacities.

The thesis argued that RGC must play an active and leading role in tourism development since the nature of tourism and the contextual environment has denied the 'small government' tenet. Relying on a profit-driven market mechanism to accomplish social objectives, such as alleviating poverty and promoting community welfare, is inappropriate. Despite the private sector is unquestionably important, they have different objectives. The complete withdrawal of the state is impossible (Botchway, 2001). RGC should also act as a mediator to organize private investment for the public interest and welfare and as a coordinator to coordinate the efforts of the various stakeholders.

MoT, as the central planning division, should consolidate a strategic planning unit for tourism development; facilitate the legislation of laws and regulations; establish and maintain an information system; coordinate international aid and assistance to the critical areas for the best interest of the country. So far international projects remain instrumental in terms of contributions. Government agents, therefore, need to enhance their capacity to take projects to an expressive dimension.

Figure 8.7: Aims of Tourism Plan

- Define the objectives (both short- and long-term), policies and implementation procedures for developing tourism;
- Integrate tourism development into the overall development plans and policies to establish close linkages with other sectors;
- Coordinate the development of the various elements to ensure appropriate relationships between the attractions, facilities, services and various tourist markets;
- Optimise and balance economic, environmental and social benefits of tourism and their equitable distribution;
- Establish guidelines, procedures and standards for preparing detailed plans in areas designated for tourism development;
- Institute the administrative, regulatory and financial structures required to ensure effective implementation of the tourism development policies and plans;
- Ensure effective measures can be taken to manage, conserve and sustain the attractiveness of tourist resources;
- Provide the framework for the coordination of public and private interests in tourism investment;
- Establish procedures to monitor continuously the progress of tourism development and to make necessary corrections or revisions.

Sources: World Tourism Organization³¹²

Figure 8.7 is a list of aims of tourism plan propelled by the WTO. Although this generic list appears very much like a wish list and its accomplishment subjected to the resources constraints, it served as a guiding direction for the planning exercise of MoT. These objectives, despite remote, are the critical milestones or gateway to a sustainable development.

A national tourism board (NTB), as a subvention division, could be established to bridge the gap between private sector and the public sector and to serve as a 'one-stop-shop' for all touristic investment inquiries and serve as the major mechanism to handle disputes and conflicts. It should be able to facilitate the acquisition of planning permission, licences, financial assistance and incentives for respective investors (Wanhill, 1999³¹³). The NTB might even directly invest in and manage tourism projects.

A cross-disciplinary committee within the government to assume the planning function is critical. This is similar to CNTDP's recommendation for a Ministry Cabinet Technical Advisory Unit. The cross-disciplinary committee, the National Tourism Board and the Mot together could form a triangle³¹⁴ for governing tourism development.

MoT, as the leading authority for tourism, has to improve its functions and effectiveness. The CNTDP argued that the enhancement of MoT should incorporate:

- a Ministerial Cabinet Technical Advisory Unit, which will be the backbone unit for coordinating and managing tourism development. This unit will receive the appropriate level of support, funding and remuneration to ensure its members function properly and are totally devoted to the assignment;
- a reconstruction of the MoT by adding divisions specializing in statistics, the environment and licensing and including provincial offices and the private sectors.

Barriers to the reorganization of MoT include the overall quality of the staff, political concerns, lack of funding and the limitations of the technical support and red tape of the government bureaucracy. All these barriers pointed towards the enhancement of generic governance capacities.

“Good governance and the establishment of the rule of law as being central to the evolution of Cambodia’s democracy and liberal market economy.... [and] the success of the National Programme to Rehabilitate and Develop Cambodia.” Royal Government of Cambodia³¹⁵

Governance is the intersection of institutions, incentives or interests, and information (Lane, 2000:11). It is a political-administrative dichotomy, which involves a series of political decisions that are executed by a technical, bureaucratic mechanism. It is directed by a set of competing objectives, delimited by various

constraints, and influenced by powers and corruption in various form. Governance, therefore, has to balance and mediate the competing interests, power and to overcome operational problems such as corruption.

In Cambodia, the governance objectives include development, modernization, advancement of living standards, and the improvement of community welfare. The challenge is to determine how these objectives can be accomplished. Contextual constraints, power struggles and corruption are three major obstacles in improving governance quality. The following recommendations will be delimited to the development of governing capacity and issues related to corruption, favouritism, political clientele and hegemony.

Governing Capacity

“It is not a question of state or market: Each has a large and irreplaceable role.” World Bank, World Development Report, 1991

“There is a definite role for a strong state in order to make markets work.”³¹⁶ (Streeten, 1996). Yet, government involvement is not a sure way to prosperity and development. Government failure, which refers to situations when the government’s intervention worsens outcomes, can lead to disastrous consequences. Enhancing the governing capacity is, therefore, critical. As illustrated in Chapter 6 and 7, the major reasons for government failure in tourism development include the deficiencies in planning, the lack of a plan or the poor implementation of it, insufficient and unreliable information, unexpected disturbances, institutional weakness, and the lack of political will and muscle. These factors can be re-categorized into three major weaknesses, viz. technical, conceptual and financial deficiency.

Technical capacity refers to the capability to plan and to implement the plan. Legal and legislation knowledge, administrative tactics, planning skills, communication techniques, fiscal and monetary skills are a few examples. The conceptual capacity is the competence to see the nation and its management as a whole and to coordinate the various aspects and the arena within and beyond the nation to accomplish the grand mission. To coordinate different functional areas

and to gauge international assistance towards the overall benefits of the nation are examples of conceptual duties. To enhance the conceptual competence requires critical and timely information and intelligence; sound logistic design and appropriate management mentality. Finally, financial capacity refers to the financial strength in terms of adequate sources of funding for carrying out designated policies and programmes and to lessen its dependence on foreign and international assistance.

While tourism specific techniques and planning skills are critical to tourism management, other governance capacities, such as those related to legislation and law enforcement, human resources development, fiscal and monetary skills, are also prominent in tourism, especially for LDCs. The development of these various skills requires a planned and coordinated programme, which incorporates training for techniques and mentality; an effective information system to collect, maintain and disseminate critical information to users; and most importantly, the reinstallation of the rule of law, which eliminate the threats of corruption and political clientelism.

Corruption, Favouritism, Political Clientelism to Hegemony

“You are not to accept a bribe for the bribe blinds clear-sighted men and can distort the words of righteous men.” Exodus 23:8.

Corruption, favouritism and political clientelism are detrimental but common in LDCs. They are independent issues yet interrelated. They jointly and solely lead to common problems, viz., weakening of governance, marginalization of the minorities, and undermining development.

Curbing corruption, however, is easier said than done. Corruption has a snowball effect that will taint the community until it becomes more acceptable and no one will dare to stand against it. The government is aware of the problem, “but, with some of its senior officials among the worst offenders, it lacks the political will to really address the problem” (Curtis, 1998:148). Although anti-corruption law has been enacted, the temptation of rewards, convenience and getting what one cannot get otherwise has made people turn a blind eye to both it and the suffering of others.

Corruption is correlated positively to rewards, and negatively to the social pressure and the expected consequences. Monetary benefits, convenience, protection and safety are the major motivators for corruption. The negative impacts, which included deterioration of the social system, inequity and unfairness, marginalization of the poor, moral barriers and criminal liabilities, however, are non-personal and can hardly compete with human greed and selfishness. The temptation gets even stronger as individuals urge to get what he or she cannot obtain from ordinary and legal ways. The RGC officials are so seriously underpaid that they would have to trade their dignity for a living. In terms of consequences, moral damages and social injustices cannot be interpreted as barriers. Imprisonment, therefore, is the worst scenario. Criminal prosecution, however, cannot prevent the spreading of corruption since people generally expect they can get away with things by paying a bribe to the judges or the police (anon, 1999a).

Social pressure against corruption in Cambodia is accelerating but at a moderate rate. Some civil servants suggest that accepting bribery is a norm that they dare not stand against. Some local people even regard bribery as a “normal practice”³¹⁷ and acceptable. They admire the elites, whose wealth is gained from corruption and immoral sources (Jamieson, 2001).

The private sector also demonstrated their willingness to accommodate corruption. To avoid working with the red tape, they choose to work around the system. Bribery is seen as more of a business decision than a moral issue.

There are situational factors that promote corruption, viz., the strong political clientelism, the extreme lack of resources and infrastructure, the inequitable access to resources, and the poor legal system. SIDA³¹⁸ argued that international aid and the FDI have important roles to play. For example, the post-UNTAC influx of the FDI has been providing “signing bonuses,” “contract fees” and other kickback to the authorities. Even the donors for non-profit oriented projects are “surprisingly silent” on this issue.

There is no simple answer to corruption. Degrading the attractiveness of rewards, increasing the penalty, enhancing social pressures against corruption, eliminating facilitators, and enhancing barriers are interim remedies. The faith of

the people is the fundamental issue³¹⁹ but it has been twisted by the war³²⁰. As SIDA³²¹ suggested, “institutions” such as morals and lawfulness are mostly damaged in war-torn societies. The prolonged civil turmoil, war, privation, isolation, unending insecurity, a protracted peace process, and the extraordinary circumstances of the UNTAC transitional period entailed an institutional or moral vacuum that promoted the rent-seeking behaviours (Curtis 1998:14). To rationalize corruption by human greed is not holistic in LDC settings. For example, local government officials and policemen can hardly make ends meet with their pay cheques. Applying Maslow’s hierarchy of needs, human beings will attempt to satisfy their physiological needs before they attempt the next level. In Cambodia, the challenge derives from the unmet basic physiological needs. Esteem, faith and self-regulation, therefore, have lower priority and receive less attention. By securing people’s basic needs and to ensure government officials are reasonable compensated is critical in demotivating corruption.

Reinforcing law enforcement, ensuring trials will be conducted against offenders, and increasing the penalties is also critical. Law and order must be restored in the country before the sense of stability and security can be ensured.

Social pressure, ethics and morality, though important, cannot offer immediate resolutions to mitigate corruption. Education and publicity can gradually reinstall the fundamental moral institutions.

Lastly, contextual conditions must be managed to discourage corruption. For example, the political-client relationship has to be removed. There is no quick solution, especially given the current civil and political complexity of the country. As Curtis (1998:149) contends, “as of 1997, there regrettably was nothing that inspired confidence in the Royal Government’s willingness, much less ability, to begin to address the society wide problem of corruption.” As of 2002, the progress is still slow and no major improvement has been noticed.³²²

Redefinition of Roles

“By no means all people making intelligent efforts at evaluating social policies are social scientists or, indeed, experts of any kind, nor are all social scientists concerned with giving advice about policies” (Bratbrooke & Lindblom, 1970³²³).

The development of a new social organization and networks should involve the existing/traditional institutions for sustainability (Hoff, 1998:236). In the case of tourism development in Cambodia, the communities and institutions involved, or who should be involved, include the government, local communities (included ethnic communities, religious institutions, folk groups and villages), businesses and industries (tourism private sector), academic institutions (universities, colleges and schools), financial institutions, and the Third Sector (such as IMF, ASEAN, the Greater Mekong Sub-region, UNESCO and ADB).

Every layer of the social fabric involves the play of power through collective action. Members respect the rules while exercising their collective influence. In Cambodia, peer cohesion is generally weak. Concluding that “interest groups” do not come into play in Cambodia’s policy-making, however, is not accurate. The political clientelism, the affiliation to international agents, the unofficial networks and the religious bondage, though not extrinsic, is indispensable in the Cambodian policy arena. Groups would exercise their influence via persuasion through partisan analysis, by rule and delivering votes, through supports to campaign and affiliating with elites (see Lindblom, 1980). The individual’s desires, the private group interests, the official authority, the various political missions and the international influences have formed a complicated context. Citizen involvement and community cohesion, though negligible at the moment, can be a consideration in future development. Local informants also warned that the Khmers tend to endure suffering until their grievances accelerate to an extent that they opt for violence. The proper medium to release their grievances, therefore, is critical throughout the course of development. RGC, therefore, should carefully design the level and mode of participation of various social groups, protect the minority and the poor, prevent further marginalization, and mobilize their participation.

International Communities and NGOs

Cambodia's development relies very much on foreign assistance and aid. Sources include foreign governments, international NGOs, inter-governmental organization, FDI and overseas Khmers. Although assistance also involves influences that bridled the development of the country, it is impossible for the country to forego them in the foreseeable future. The RGC, therefore, has to ensure foreign projects are in Cambodia's best interests. The RGC and local agents should stay on top of the projects and avoid manipulation by the donors. The RGC should try to collaborate and synchronize various sources of support and assistance. Developing the local capacity should be a key objective. Results and side effects should be carefully anticipated and predicted. Rectifying strategies and contingency plans should be developed. The minorities' rights must be protected.

NGOs' influences and intervention is prominent in Cambodia. They play a very critical part in the nation's development. Thun Saray, president of ADHOC argued that NGOs have various functions and roles to play, which range from local capacity development, lobbying government planning, dispute solving to direct participation in projects (see Figure 8.8).

Figure 8.8: NGO's Role towards Civil Society in Cambodia

Some important roles played by NGOs to aid the re-emergence of civil society in Cambodia:

- Encouraging people's participation in the development process and helping to increase their awareness so they can understand the situation and the role and functioning of civil society;
- Reducing poverty at the grass-roots level, where the government does not reach, to ensure that all citizens have fair access to the country's resources, aid money, and growing GNP. The approaches for development, in particular community development, used by NGOs also emphasize participation, self-reliance, and justice;
- Participating in activities that promote peace, democracy, and human rights in order to respect human rights and to protect people's rights;
- Assisting in safeguarding the democratic process through lobbying and functioning of democratic institutions;
- Being an observer of elections to ensure they are free and fair;
- Strengthening the government's understanding and knowledge of human rights and lobbying for the implementation of a genuine rule of law and the monitoring of their processes; and
- Seeking dispute-solving mechanisms at the local level whereby civic groups can play a role in mediating on behalf of the citizens.

Sources: Adapt from Thun Saray³²⁴, "The way ahead to a civil society," Phnom Penh Post, January 26 – February 8, 1996, pp. 7 (Curtis, 1998:121).

The missions of NGOs include rehabilitation, reconstruction, and development of Cambodia. NGOs, however, have been criticized for their failure to create collaborative effectiveness among projects and agents. Their lack of tourism expertise also prevents NGOs being actively involved in tourism projects.

Figure 8.9: Achievements of NGOs in Cambodia

<p>Strengths</p> <ul style="list-style-type: none">• Demonstrated the concern, flexibility, and experience to respond to humanitarian needs, to manage development projects and contribute to policy formulation;• Helped communities articulate their own concerns and committed to working at the people's level to help meet their needs;• Supported the establishment of local NGOs and moved to localization of staff;• Facilitated technology transfers;• Raised the public's concerns about women's rights, sustainability of development, environmental preservation, community participation and ownership in projects;• Served in social sectors, viz., health, education, and rural development. <p>Weaknesses</p> <ul style="list-style-type: none">• Performance indicators are not clear;• Quality of information from beneficiaries often limited;• Effectiveness in technology transfer is questionable;• Sustainability of programmes is in doubt;• Driven by private agenda and cannot collaborate with other agents.
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Sources: Cooperation Committee for Cambodia (CCC), Annual Report 1995, Phnom Penh; CCC, Phnom Penh, 1995; Chris Dammers et al, Differing Approaches to Development Assistance in Cambodia: NGOs and the European Commission (Phnom Penh: NGO Forum on Cambodia, August 1996); and Curtis (1998:134-135).

In order to rectify the situation, the Cooperation Committee for Cambodia (CCC)³²⁵ and NGO Forum on Cambodia³²⁶ were established to coordinate the various works of different NGOs. These two institutes, however, need further empowerment in terms of communication, information, skills and authority. The CCC could form an administrative network to coordinate aid and assistance.

Private Sector

The current tourism private sector in Cambodia is small and fragmented. The lack of domestic savings and capital has hampered the development of domestic businesses. The tourism private sector, thus, is dominated by the FDI. This situation is expected to prevail in the near future.

Due to various limitations, the private sector's potential has not been fully realised. To rectify the situation, the RGC should: 1) attract more investment; 2) organize the trade; 3) enhance the trade's sense of social responsibility; and 4) develop cross-sector partnerships. It has to be reiterated that attracting investment

to Cambodia is difficult. As both the internal and external environment are gradually improving, foreign capital could become more accessible. This has to be qualified.

To attract investment, the RGC might wish to offer incentives, such as tax exemption, tax holidays, and initial import duty incentives. These incentives are either to reduce cost or improve the profitability of investment projects. Incentives should also direct the FDI into non-business sectors, such as education, anti-pollution and healthcare. Examples of incentives included additional land usage rights or tax incentives for in-house clinic and training facilities.

Security is another major concern. The sense of insecurity is caused by various factors including political instability, health and hygiene, crime and corruption. In order to ease the concern of foreign investors, appropriate rectifying strategies have to be implemented.

The RGC must ensure the rule of law. This implies that a well documented set of laws, especially business law, merchandise law, law of contract and law of tourism, should be officially promulgated and enforced. A familiarization programme and seminars should be offered to the various sector of the society.

A trade authority should be established to deal with FDI. This authority should take up the role of facilitator, regulator, arbitrator and act as the bridge to the gap between the government and the business sector.

The RGC should offer assistance and incentives for developing and attracting local investment. The establishment of effective financial institutions is the initial step. Favouritism / protectionism for the local investments might be against the multilateral agreements, such as those of AFTA, but critical to protect and nourish the local economy.

The trade authority should promote and facilitate the establishment of trade associations and trade unions with a view of establishing a more effective network. Although the government might be in an unfavourable position with collective bargaining, it is an effective way to mobilize the trade into assuming more developmental responsibilities. This kind of partnership is of special importance in

LDCs where the need to pull the resources of the private sector together to create a more effective system for development and to organize the domestic sector is badly needed.

In order to manage the negative impacts of tourism, initiatives should be incorporated to enhance the trade's sense of social responsibility. The private sectors, the Third Sector and the RGC should work together to develop a code of ethics, industrial guidelines, operational procedures and requirements for the sake of ethical practices. Individual businesses should then be well informed and trained in the meaning and significance of social responsibility, ethical management skills, and develop a socially responsible mentality.

The RGC, the private sector, quasi-governmental agents or the NGOs cannot materialise development alone. Collaboration between stakeholders is essential. Collaboration is a good starting point but not the solution to all the problems. The definition of domains, as proposed by Jamal and Getz (1995), has not fully addressed the problems of competing interests and marginalization. The definition of domain draws a boundary that divides the in-group from the outsiders. The benefits of the "in-group" might be at the expense of the welfare of the "outsiders". Further research in this area is vital.

Pre-plan Preparations

As part of the critical preparation for the tourism plan, various initiatives are recommended. They included stocktaking the inventory, competitive analysis, and market assessment. The redefinition of tourism and the government's role is a prerequisite of the tourism plan and the initial step of the actual planning process should be the pre-plan preparations, which would ensure the protection, security, and maintenance of the tourism resources.

MoT, in conjunction with other ministries, should develop an inventory portfolio of assets. The listed assets should be categorized by nature, the degree of fragility, distribution, scarcity, and accessibility. The portfolio should clearly indicate which authority (ies) is (are) mandated to take care of each asset, which facilitates planning, product development and preservation of assets. A competitive analysis of the

existing assets can then identifies merits that can be capitalized and deficiencies that require remedies. A market assessment exercise should also be conducted to assess the attractiveness of various markets and to match the appropriate market with potential product offerings.

Plans and Strategies

The specific emphasis for the tourism plan is rested on its nature of “continuous and incremental, comprehensive, integrated and environmental with focus of achieving sustainable development and community involvement” (CNTDP, 2000).

Strategies development embraced the formulation and implementation of policy, and the examination of constraints on the realization of objectives (Dieke, 2000). The national tourism strategies have a complex set of competing objectives, which include promoting tourism business and arrivals, preserving the natural and cultural environment, and revitalizing the traditional forms of the economy. Long-run sustainability, therefore, requires a consolidated and integrated tourism and development plan that secures, protects and manages while exploring the country and its communities for economic interest.

In response to the complex and dynamic nature of tourism and the sensitivity of Cambodia’s domestic environment, there are three specific areas for improvements 1) to consolidate a tourism master plan; 2) to design and implement pro-poor tourism strategies; and 3) to collaborate the efforts of various parties.

Figure 8.10: Planning Principles for Tourism in Cambodia

- Poverty alleviation and achieving gender and social equality within a social planning and development context;
- The protection of heritage in all its dimensions (natural and cultural heritage as well as the traditions and values of the Cambodian people);
- Revenue capture by the local community;
- Effective monitoring to ensure that community plans as well as national policy objectives are met;
- Local involvement in both planning as well as economic activities is ensured. Capacity building and the creation of mechanisms for the support of small and medium enterprises will be explored whenever appropriate;
- Emphasis on formulating strategies that will create opportunities within the more disadvantaged areas of the country;
- Ensure that development policies (including public works and transportation and bus and road networks) are supportive of protecting and promoting the various attractions in the country;
- The need for as many stakeholders as possible to be involved in decision-making and resource allocation.

Source: Cambodian National Tourism Development Plan: 2001-2005.

The tourism master plan should clearly define its position in the nation's development and ensure the synergy between tourism and other public and economic policies. Since the RGC has pinpointed tourism as its development agent, tourism should bear greater responsibilities than other economic activities. This requires the involvement of and partnership with various ministries, private industrial sector groups, local communities, and NGOs.

The tourism master plan, which incorporates the destination marketing plan, the tourism product development plan, the destination development plan, and the tourism governance blueprint should provide the mapping of development in both the medium and long term (see Figure 8.5). There are two hidden elements in this configuration: the business plan to identify revenue centre and opportunities; and the political mapping, which is a detailed illustration of the political environment, power networking and politics. If tourism is defined as an issue about people visiting

attractions, the destination development plan and the product development plan are to deal with the transformation of places into attractions; and the marketing plan is to promote visits.

The governance blueprint is an organizational design of the tourism management hyper-structure. It defines the roles, responsibilities and authorities of various offices and illustrates the network for collaboration.

MoT needs an effective integrated marketing communication plan to project a desirable image for Cambodia and to attract visitors and investors. The objective is to attract new and preferred visitors³²⁷ and to push the potential customer through the adoption process (see Appendix I).

One critical component in the master plan is the definition of target. In the midst of the marketing paradigm, most of the tourism programmes are target customers oriented. Tourism, as a development agent, however, is promoted for the welfare of the community. The challenge, therefore, is to balance, synchronize and match the interests and needs of the two groups.

Tourism Product Development

“Sensitively designed, [tourism products] will alleviate poverty, respect and maintain Cambodian culture as well as meet the demands of international and domestic market.” CNDTP 2001-2005 (2000:43)

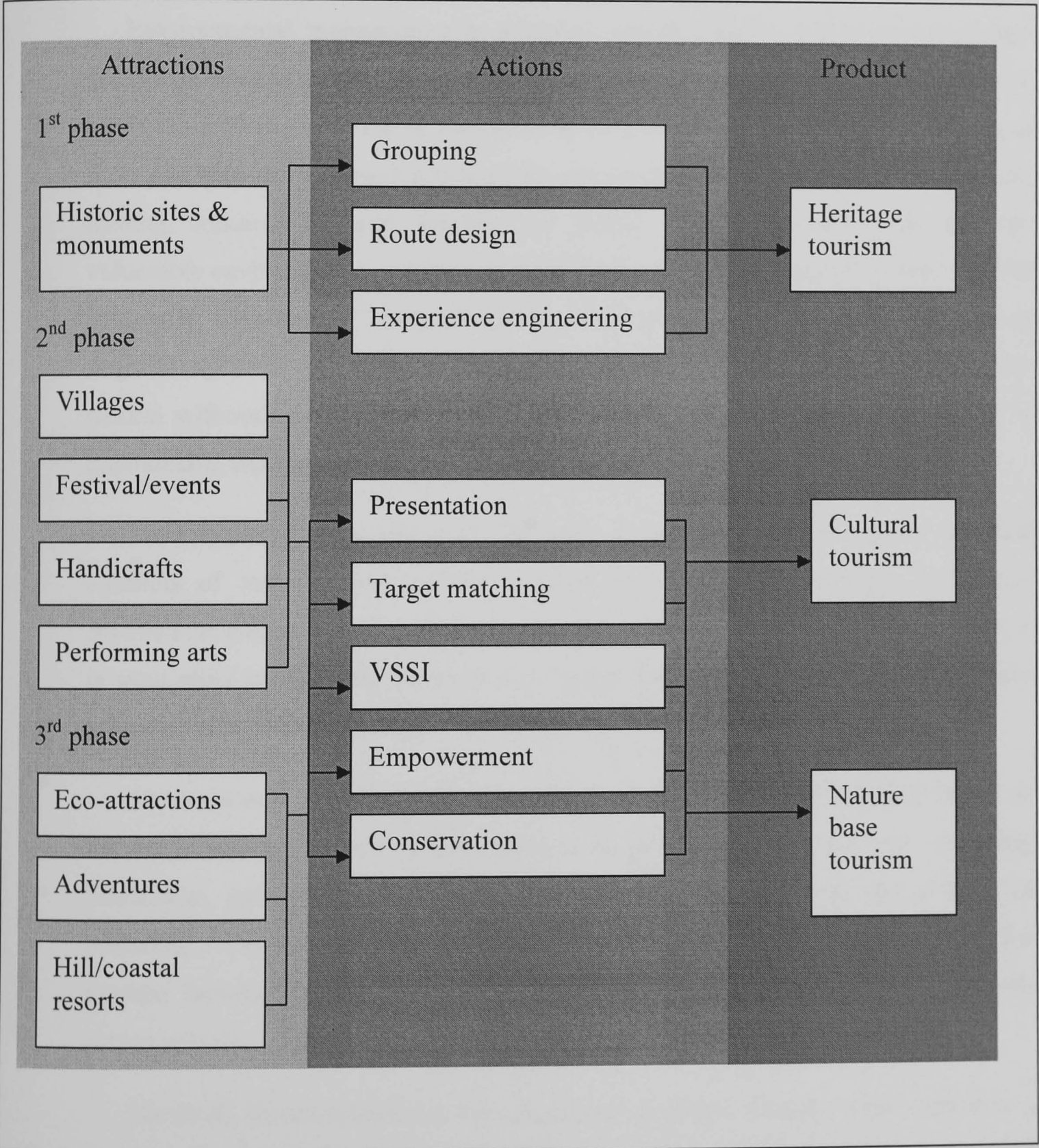
The development of product is a critical strategy in tourism development. Although various research and consultancy projects have addressed the development and design of tourism products in Cambodia, this thesis focuses on three areas from a different angle, viz., the development logistics, the conservation of natural and cultural environment, and the development village-based small-scale businesses.

Tourists demand exotic attractions. Thus, authenticity and a sense of “otherness” must be preserved. The otherness is a structural presentation of a destination’s unique natural and cultural endowments. Product development, in other words, is the capitalization of cultural and natural assets for touristic purposes.

Tourism product development in Cambodia is restrained by the availability of

resources. MoT should consider a fan-out approach as illustrated in Figure 8.11. The proposed three-phase model is based on the availabilities of capital, readiness of attractions, the requirements of resources, and the perceived level of attractiveness.

Figure 8.11: The Recommended Three-phases of Tourism Product Development



The thorough assessment and documentation of the resources, their carrying capacity, and the inventory portfolio suggested previously, is critical to a more concrete and actionable tourism development plan. The plan has a tripartite

division: environmental conservation, tourism marketing and mobilization of stakeholders. Strategies should be driven by four major philosophies: environmental conservation, a progressive approach by zoning and the phasing of product development by area, target matching and the pro-poor orientation.

Environmental Management and Control

Environmental management is a key to sustainability. While environmental protection devices and the designation of conservation are essential, the mentality of environmental preservation is fundamental. Preservation strategies must be taken from an expressive dimension rather than an instrumental dimension. Government, hosting communities and tourists are jointly responsible for protecting the vulnerable environments. Although the definition of “environment” should include “natural,” “man-made,” “cultural” and “social” environment, the following section deals firstly with the natural environment. However, any attempt to preserve the natural without a mechanism to deal with the cultural and social environment is unattainable and unsustainable.

Environmental preservation is difficult. It involves various parties and thus conflicts of interests and politics become unavoidable. Achieving a balance between development and preservation is a great challenge for the authority. Yet, it is even more challenging for poor developing countries such as Cambodia where resources are extremely scant.

An environmental preservation commission should be established to overlook the environmental issues. Its mandate is to protect the environment, including forestation, agricultural development, wildlife management, and the control of pollution. The commission also serves as a promise from the government to the tourism business sector that the environment will be preserved for long-term sustainable development and thus minimize the risk to their investment.

The RGC should establish a sustainable development council, which serves as a consultant, an advising body and an arbitrator for the development, planning and control of tourism. This council should incorporate professionals from various disciplines. Cambodia could also consider inviting international assistance, such as

UNESCO, WTO, ASEAN, Green Peace, and academia from overseas to facilitate the establishment of the council so as to enable technology transfer to the local officials. In order to avoid conflicts and logistic confusion, this mechanism should be assigned to a legitimate authority for endorsing development projects. The council is to ensure that environmental concerns are built into the decision-making mechanism. The RGC could consider adopting a decision protocol for both the public and private sectors. It could be a checklist including rough criteria for ruling out unacceptable projects. This would serve as a device for a quick initial check-up and help to establish the public's environmental awareness, release the burden of decision-making in development and reduce ambiguity by eliminating the grey areas.

For the promotion and education of the public (local and tourist), an organization like the National Trust of UK could provide critical services to Cambodia. It could be a non-government or a quasi-government organization. They could own land, heritage and operate tourist retailing outlets and education programmes. Their mission would be to protect the environment by publicizing and educating both the locals and tourists.

On the other hand, owing to the specific geographic setting of Cambodia, its natural environment is highly affected by the conditions and changes in the neighbouring countries. For example, the industrial development in Vietnam has a strong impact on the water quality of the Mekong. The dam projects in the upper Mekong also present major threats to the aqua environment in Cambodia. Regional collaboration, agreement and cooperation, therefore, are critical.

Cambodia should consider installing a tourism environmental management system (TEMS) for coordination and directing the activities within the tourism arena. TEMS could capitalize the ISO 14000 EMS as a protocol. The only difference is that the EMS³²⁸ under ISO 14000 is a standard for enterprises in the micro level while the TEMS suggested here is a macro mechanism, which directs the activities of various tiers of the society. Environmental management and preservation require the joint effort of local and regional government authorities, NGOs and intergovernmental organizations, private business operations, tourists and local

citizens. It also pointed to the generic recommendations, viz., enhancing governing capacities, financing, curbing corruption, restoring the rule of law, and mobilizing local involvement.

Table 8.1: List of Laws and Regulations Governing Environmental Conservation in Cambodia

Legislation	Enactment Date
Royal Decree on the Creation and Designation of Protected Areas	1 st November 1993
Royal Decree on the Establishment of Protected Cultural Zones in the Siem Reap/Angkor Region and Guidelines for their Management	28th May 1994
Royal Decree Establishing the Supreme Council on National Culture (NS/RKT/0295/11)	19 th February 1995
Preah Reach Kret (Royal Decree NS/RKT/0295/12))	19 th February 1995
Law on the Protection of Cultural Heritage (NS/RKM/0196/26)	25 th January 1996
LAW ON ENVIRONMENTAL PROTECTION AND NATURAL RESOURCES MANAGEMENT	24 th December 1996
Convention Concerning the Protection of The World Cultural and Natural Heritage	16 th November 1972
Law (CHHBAB) on the Adoption of the Convention on Wetlands of International Importance especially as Waterfowl Habitat	24th October 1996
Law (CHHBAB) on the Adoption of the United Nations Framework Convention on Climate Change	28 th October 1996
Prakas, Declaration No. 1033 on Protected Areas	3 rd June 1994
Law on Land Use Planning	
Decree-law No.35 on Forestry Administration	

Recognizing the critical importance of incorporating environmental preservation in the development design, the RGC established the MoE in 1993 to look after environmental issues. For the same reason, various laws on environmental preservation have been enacted (see Table 8.1). Additional financing and human

resources, however, are critical for the enforcement of these laws.

Destination Development Plan and Tourism Public Policy (TPP)

A destination development plan is the master plan of tourism public policies. Its main objective is to ensure that tourism development is in the best interests of social development. The key components of this plan include the provision of infrastructure, conservation initiatives, community development, mobilization of the private sector and the Third Sector, and labour market development.

Infrastructures

Cambodia is seriously lacking in infrastructure. Despite the RGC's determination to build and improve the current infrastructure for development, progress has been restricted by resource limitations. Challenges, such as potential opposition of local communities, resources constraints, and possible damages to the natural environment and cultural image, further complicate the issue. For these reasons, the development plan should clearly assess the necessity, the impacts and costs, both in terms of construction and maintenance.

It is futile to distinguish tourist infrastructures from basic infrastructures since tourists will share and even compete with the hosting community for their use. A shortage of supply has direct impact on both parties' satisfaction and security. The sense of insecurity, one of the major barriers to tourism, stems from different aspects including poor hygiene, crime, ineffective law enforcement, and communication barriers, which have the same underlying causes: poverty, lack of public goods, poor governance and an ineffective education system. Since governance and poverty have been dealt with in separate sections, this section focuses on the provision of public goods in the areas of security, health and hygiene, transportation, and education.

The following recommendations can be regarded as a wish list of public goods. In order to deal with the underlying resources limitations, RGC could consider a Built-Operate-Transfer (BOT) arrangement, under which operating concessions were granted to the developer at a relatively low standard. In return, the ownership

of the infrastructures would return to the state as the concessions expire. RGC, then, would have the options of offering a new concession to the developer, to operate the facilities, or to sell or to lease the facilities to local agencies. This arrangement has the advantage of easing the investment burden while protecting the equity of the public sector.

Security

Security has long been a concern for tourists and foreign investors. Law enforcement and police protection should be enhanced. Cambodia should also establish a tourist police force. An important consideration, however, is the cost implications.

A further recommendation related to security is the effective implementation of the demining programmes. In order to ease the publics' concern, rigorous records should be maintained, audited and disseminated.

Health Care and Hygiene

Despite the few establishments funded by international aid, public health care services are in serious shortage. The National Institute of Public Health (NIPH) and MoH have strategies to expand the services, develop the local capacity, and establish networks within the country and with the nations in the region. NIPH and MoH jointly conduct the National Health Survey (NHS)³²⁹, which assesses the supply and demand of health services in Cambodia, and provides direction for development. Resource limitations, however, have restrained progress.

In relationship to public health services, public hygiene, sewage and solid waste disposal are becoming more critical in Cambodia as the population grows. Unprocessed wastewater has polluted the rivers, which are the main source of drinking and irrigation water. Waste deposition has caused epidemics, such as malaria, diarrhoea and dengue fever (these sickness accounted for 19.15%, 1.20% and 9.28% of total deaths in hospitals in 1998)³³⁰. Together with the threat of HIV/AIDS, public health and hygiene has become one of the most critical tasks for the government. With or without the concern of tourism, it has to be rectified. The lack of finance and technology, however, presents major obstacles. Unless the

private sector and the non-governmental sectors can be mobilized to make contributions, the advancement of health and hygiene is unlikely to happen.

As a short-term tactic, the RGC can give hotel establishments a mandate to establish in-house clinics to serve their guests, employees and their families. This initiative can be extended to non-hotel establishments. These small establishments are partial remedies to the current system.

Another recommendation is to coordinate the various international aid and assistance so that they can create a critical mass for effectiveness and avoid wastage. The current situation is that each donor and operating agent has its own mission and agenda. Operators rarely communicate with one another for collaboration.

Furthermore, programmes should be executed to develop local capacities so that projects can be sustained. Technology transfer, therefore, should be incorporated into all aid programmes.

In terms of public hygiene, the treatment of solid waste, sewages, pest control, water supplies, and pollution are pressing issues in Cambodia. There is no easy solution given the financial constraint. From an operational prospective, a council with representatives from different ministries and local communities could be more effective in disseminating information to and soliciting support from the public.

Transportation

Accessibility remains a major obstacle to the Cambodia tourism development. While international flights to Phnom Penh and Siem Reap have been made more accessible, both in terms of availability and cost, the bankruptcy of the Royal Cambodian Airline (RAC), sparked an immediate price increment. The new joint venture between China's Hainan Airlines, RCG and CTG Co., Ltd. is expected to rectify the situation.

The extension programmes of the two international airports are close to completion. The management of these airports and aviation services, however, requires some "quick fixes". For example, Société Concessionnaire de L'Aéroport (SCA) has been actively recruiting overseas talent ranging from workers to retailers

for the duty free contracts. The importation of labour can be a short-term remedy until capacities being developed locally.

Ground transportation is another critical area for attention. Public transportation is limited, uncomfortable, and unsafe owing to the serious under-capacity, poor roads conditions, and the threat of crime. The rail network is very backward, inefficient and seriously war-damaged. The primitive steam engines have the potential to be utilized as tourist attractions and sightseeing vehicles but feeble as a mass transit system. Both the rail system and the engines, however, require extensive repair and restorations, which implies financial costs. Roads need immediate attention. Potholes are large and deep, especially outside the city centre. It is extremely dangerous when the daily tropical rain floods the road.

In view of the shortage of funding, public transportation can be tendered out to the FDI on a BOT base. Retired equipment from more advanced economies such as Hong Kong, Japan and Korea could be solicited as the initial fleet. The financial difficulties also suggest the importance of planning the allocation of resources and the prioritisation of programmes.

Education and training

Education and training are critical for the development of tourism and educational reform is essential to development. The provision of education and vocational training will have to rely on aid and the private sector in the short run and in the long run the system will have to develop its own capacities (refer to the section on community empowerment for details).

Accommodation

Accommodation projects are investment extensive with a long payback period (Baud-Bovy and Lawson, 1998). Evidence suggests a shortage of supply both in terms of quantity, types of accommodation facilities³³¹, and distribution. Room supply is limited and polarized, in terms of quality and prices³³².

The recent developments are largely “market-led.” The lack of information and overall developmental direction has caused unnecessary ambiguity and wastage of resources. Better-coordinated development programmes are critical due to the paucity of resources. Once again, this will points to the vital necessity of a central planning unit that can synchronize the various facets of development, viz., land use, physical development, infrastructures, and social development.

The accommodation development plan should be well incorporated into the tourism development plan and tourism developmental direction(s) should be well considered and blended into the accommodation plan. The accommodation plan should be localized, which means each area or region of development should have its own separate plan for development taking into consideration its uniqueness and specific requirements of their target groups.

Accommodation at urban cities such as Phnom Penh and Siem Reap should focus on the development of good quality medium-tariff hotels as business and FIT travellers will be the major targets. Serviced apartments and condominiums could also be provided as alternatives. Resort types of establishments, individual housing, camping sites, and holiday villages would be more appropriate alternatives for Bokor Hill Station and Kompong Som (Sihanoukville).

The localization of accommodation refers to the initiatives to mobilize the local public, to direct benefits back to the local communities, and to promote sustainable development. Feasible initiatives include: providing incentives for owners for making their property available for rent; stipulating as a condition for new resorts to be available for rent, centralizing town planning, which specifically defines the usage of land and properties; promoting a thematic backbone for development; and financially and technically supporting small-scale or village business.

Zoning Concept

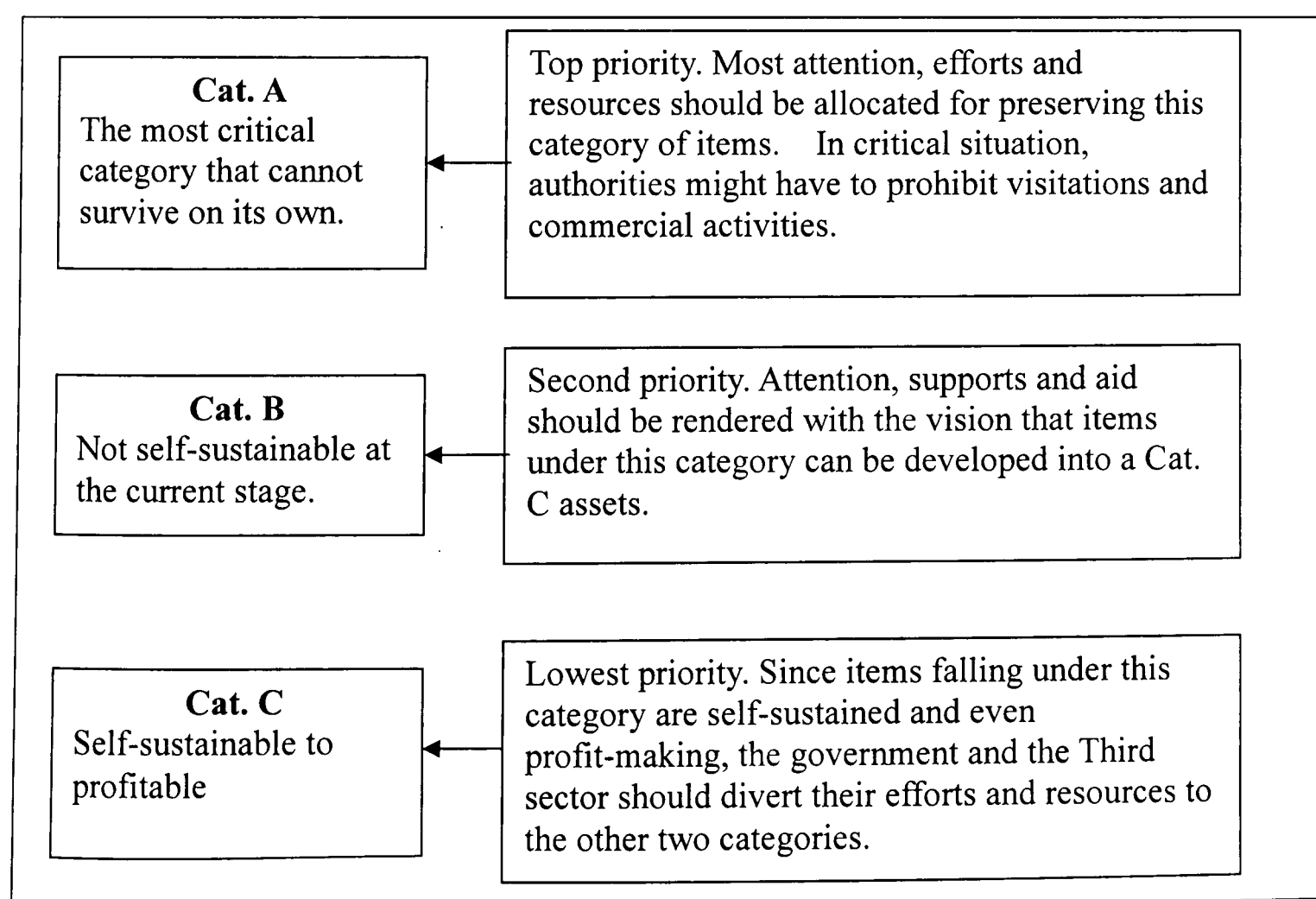
There are two reasons for development of tourism by zone. First, Cambodia has resources constraints. It is difficult for Cambodia to have its various parts developed at the same time even though the country is small. Development, therefore, should focus on a manageable number of target zones and concentrate the

available resources into meaningful projects. Second, a zoning strategy allows the government to more closely monitor and control the impact of development.

The first priority is the Angkorean attractions in Phnom Penh and Siem Reap. After these two zones have acquired a certain level of sophistication and development, efforts and resources can be diverted to other areas such as the seashore resort around the Bay of Kompong Som, the nature conservation on the Mountains of Cardamom and the summer resort of Bokor Hill Station. The principle is that development has to be a coordinated and prioritised subject to resource limitations and attractiveness. Too ambitious a development plan will risk spreading the resources too thinly and fail to create any critical result.

In terms of conservation of resources, an ABC theory is proposed here as a structural framework for discriminating various cultural and natural assets, monuments, heritages, zones, and other resources. The framework attempts to discern appropriate tactics for different categories of items in view of balancing the interest of development and preservation (see Figure 8.12).

Figure 8.12: ABC Theory for Development



From a business prospective, it might appear to be irrational to allocate any resources for a non self-sustainable category of attractions. From cultural / social development prospective, it became apparent that the value of these assets and needs to preserve them is beyond a profit and loss consideration.

Pro-Poor Tourism Strategies / Development

Pro-poor tourism is a major recommendation of this thesis. It is also recommended by The Cambodia National Tourism Development Plan 2001-2005 (CNTDP) as a strategic orientation. The recommendations in CNTDP, however, are too generic, which requires a more practical framework to be functional (see Figure 8.13).

Figure 8.13: Pro-poor Tourism Development Directions & Recommendations in CNTDP 2001-2005

- Establishment of a Cambodian Poverty Reduction Tourism Working Group.
- Pro Poverty Development Zone
- Pro poor SME Partnership
- Reinvestment in Poverty Projects
- Demonstration Projects
- Creating New Pro Poor Markets

Source: CNTDP 2001-2005

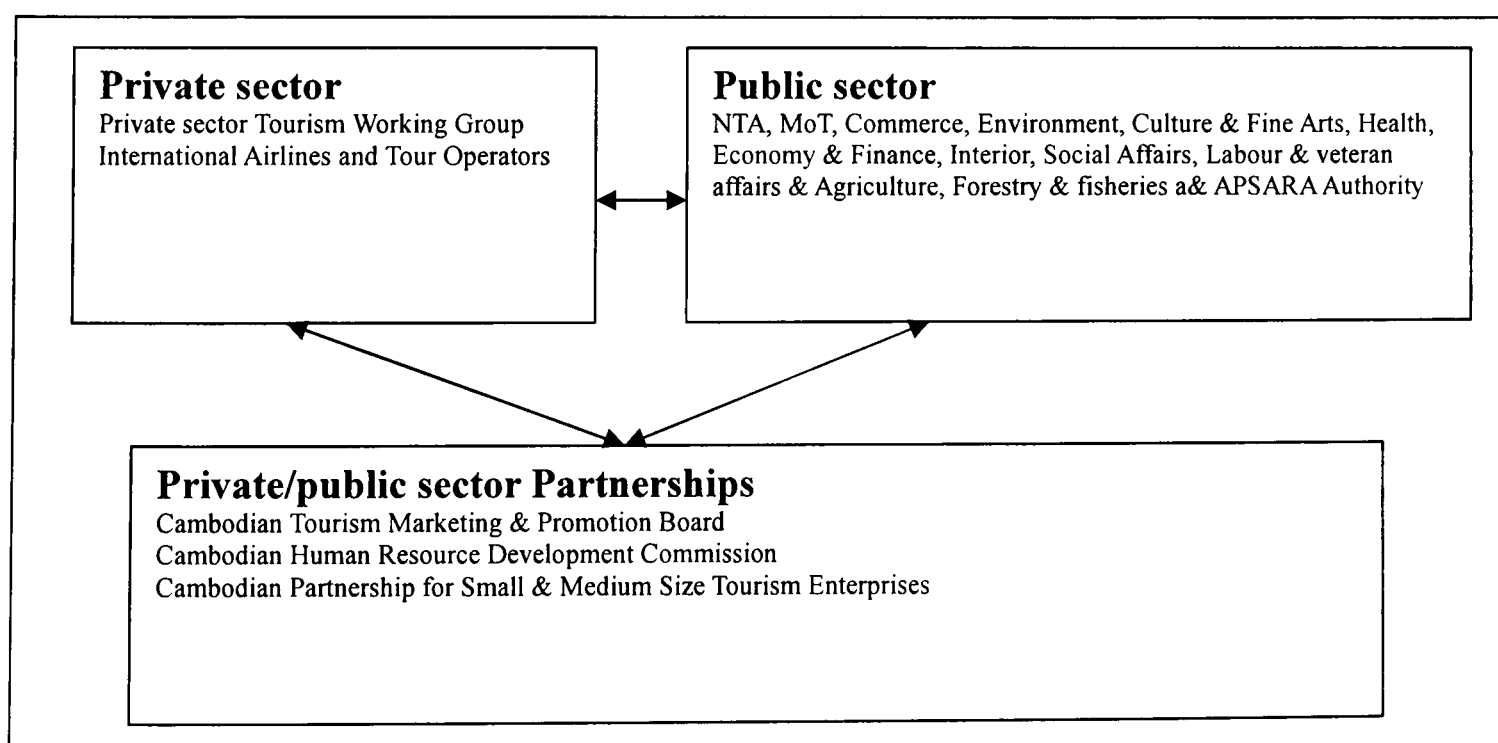
In order to ensure sustainability and benefits the poor, the poor should be represented in the governance system and inequality has to be narrowed down, if not eliminated. This is easier said than done. More critically, in many circumstances, tourism alone can hardly provide any reasonable solution.

In terms of execution, the government authority, in respect of the calibre of its officials, its management system, the structure and mechanism of the bureaucracy have to be revisited, empowered and improved in terms of quality. The dilemma lies in the serious tension of the political environment, the extremely insufficient resources and finances. These fundamental deficiencies make any recommendation difficult: it is the same reason why Jamieson (2000) suggested that the planning and implementation of any tourism development plan has to be

independent from the MoT. MoT needs reengineering and empowerment to improve its functionality.

One major task is to ensure effective planning and efficient integration and cooperation among the various components of the operating system, especially in this case, the tourism system. The CNTDP 2001-2005 (2000) also indicated the pressing importance of inter-jurisdictional interaction. A framework of integration as illustrated in Figure 8.14 was recommended in the CNTDP. The plan also stressed that mere agreement among high-ranking officials is insufficient. It has to be pushed through to the lower level of the bureaucracy where the actual logistic took place. Throughout the research process, the researcher also came to the same conclusion. For example, in the beginning of the research process, the researcher had proposed a visitors' perceptions survey and it was endorsed by the MoT and the data collection would have been conducted by the department of Statistics. The project, however, never materialized as the affiliate at the Department of Statistics refused to cooperate.

Figure 8.14: Integrated Tourism Planning and Development in Cambodia



an overall approach, which unlocks opportunities for the poor. Four major doctrines were consolidated: a holistic approach to development, capacity development, sustainability, and poverty alleviation as targets. Poverty being the main concern, its nature, specific characteristics and causes should be clearly and carefully defined in the development plan. This is not to suggest that poverty

alleviation is the only objective and should prevail over other courses. Failure to rectify the problem of poverty, however, has a detrimental impact on tourism, development, and the communities.

The holistic approach refers to the conceptual competence of the plan to define the position of tourism among various economic and social developments, to determine the share of attention and consideration to be given to tourism, to coordinate tourism with other activities and components, to determine and to balance the benefits and costs of various social groups. The traditional interpretation of development as a stage or the result of economic growth (industrialization and modernization) has been broadened by new dimensions including rural development, community empowerment and involvement. Despite Gandhi's argument that real development lies in the development of villages (rural communities) (Bharathi 1994), the Gandhian model is more than simply going back to the villages. It suggested that development has three dimensions, viz., social, political and economic. These facets of development are interrelated and twisted into one another. Thus, development is a total accomplishment of the economic progress, social advancement and political consciousness of the people (Bharathi, 1994). That means all the three dimensions have to be promoted as one. They might have a different pace of advancement owing to specific contextual settings. Sustainability and stability, however, requires all the three legs of this development tripod be strengthened.

While development should be a holistic view, the alleviation of poverty has to be focused. The problems of poverty and the various types of poverty cannot be rectified at the same time with the same treatment. Ex-Chairman Deng of the PRC, in his strategic development plan determined to segment the nations into smaller clusters and to alleviate their poverty one at a time. The "new rich", therefore, could serve as the role model and catalyse the next round of development. This approach of focusing the resources to nourish sectional growth is practical from a logistic point of view. The planner, however, must recognize the potential risk of causing further marginalization and inequality. For the poorest 20%, they might have to endure a much longer period of suffering. A Social Safety Net (SSN), therefore, is critical to prevent more serious social problems.

Development is a race between the talented and the prizes are at the expense of the poor. Competition is never fair. Fair trade is promoting marginalization rather than equity. Competitiveness, as the ruling factor, is a matter of capacity. Capacity development, therefore, is essential to nourish development. The capacity of a destination and its communities affects their ability to cultivate opportunities. Thus, prior to any developmental tactics needs capacity development.

To achieve the objective of poverty alleviation, a series of non-tourism strategies are critical for effectiveness. They included the redistribution of wealth through empowering and mobilizing local communities; the establishment of a SSN; and a detailed agenda for the transformation of the economies.

Redistribution of Wealth

Following the initial step of wealth creation for alleviating poverty is the equitable distribution of the wealth and opportunities. According to the WB's statistics (1999), inequality in Cambodia, in term of Gini coefficient is higher than most of other development economies in Asia at Cambodia's level of development (see Table 8.2). The consumption share of the poorest 10 % of the population is only 3%, whereas the richest 10% of the population accounted for 35.3%.

Table 8.2 Gini coefficients for selected countries, most recent years

Country	Gini coefficient	1997 GNP per capita
Bangladesh (1992)	28.3	350
Cambodia (1997)	42.0	280
Chin (1995)	41.5	750
India (1992)	33.8	430
Indonesia (1993)	31.7	680
Lao PDR	30.4	330
Mongolia (1995)	33.2	400
Pakistan (1991)_	31.2	480
Philippines (1994)	42.9	1050
Thailand (1992)	46.2	2200
Vietnam (1993)	35.7	330

Source: World Bank 1999

There are five courses for action: 1) the redistribution through taxation and the provision of social products and protections; 2) the provision of infrastructure for public consumption; 3) the creation of opportunities; 4) the empowerment and development of local capacities; and 5) the prevention of exploitation and social marginalization by legislation. Implementations, however, are subject to resource constraints. As an interim remedy and a fundamental protection for the poor, a social safety net (SSN) should be introduced.

Social Safety Net

“Poverty as capability deprivation.” Sen A.R. (1999).

SSN has not been incorporated as part of tourism development programmes. It is, however, crucially essential to indigenous communities, especially those in LDCs. Using Cambodia as an example, the development of tourism and tourism infrastructures has been at the expense of social welfare. Development has driven local peasants away from their farmland. They became landless, economically devitalised, and jobless. At the same time, they have had to face rapid urbanization and inflation. Development, rather than mitigating, enhanced rural poverty. Although many government officials and NGO agents regarded this phenomenon to be transient in nature, the vulnerability of the community worsened. In the already fragile level of social stability and civil cohesiveness, prolonged suffering can provoke permanent damage and might trigger a full-blown social crisis. Without appropriate capacities, the “rock bottom segment” of civilians finds no place for them in this new economic wave. Local elites are better off in the development process while the poor majority are being exploited. In order to rectify the development-induced polarisation, a SSN should be installed to protect the lowest tier of the society so as the long-term stability of the society can be preserved and protected.

The design and implementation of anti-inflation strategies, capacity development programmes and a social safety net must be within a combined framework of macroeconomics and socio-economics. The processes of development, inflation and deprivation have different levels of impact and implications on different social clusters. This suggests that SNN has to be multi-track. To directly address the

issue of consumption poverty, a food subsidy programme should be implemented to rectify the insecure food supply. Educational subsidies, free mandatory basic education and vocational training can help to address capacity issues. Together with the provision of free health and medical services, the population can be better prepared for future opportunities. By the same token, community involvement and empowerment programmes for tourism are essential to enable the poor to be the beneficiaries of the development of tourism.

The following criteria are recommended to ensure the effectiveness of SNN. The SNN should be target oriented with the beneficiaries clearly defined. The SNN need not be a single net but, by contrast, it should be a composition of nets for different groups with specific objectives. It should be a strategic programme that addresses the severity of poverty from a socio-economic perspective with milestones and objectives being identified and measurements established to monitor its effectiveness. Its resource implications should be anticipated and side effects tracked. Under the constraint of resources, the initial stage of SSN development is unavoidably reliant on foreign aid. Nonetheless, SNN should not be aid directed. The programme should solicit local participation, maintain balance between competing interests, avoid further deprivation, solicit political support from elites yet prevent their dictating the programme.

Village Based Development (VBD) and Small Scale Industry (SSI)

The CNTDP 2001-2005 recommended the development of village-based tourism because of its potential benefits to the rural communities. Despite the successful cases in northern Thailand and northwest Yunnan, rural Cambodia is delimited by its current situation and various limitations. The hygiene standard, lack of infrastructures, accessibility and security are significant barriers. Without significant improvement in infrastructures, tourism in remote areas, which is defined as anywhere ten miles from urban areas, is virtually impossible. Development programmes, therefore, have to be concentrated around urban areas and the roll out magnitude is determined by the developmental infrastructure. Villages with specific interest, such as those around the Angkorean monuments in Siem Reap and

those in the Bay of Kompong Som can be utilized as trial spots for developing village tourism. The programme designs, on the other hand, have to enable the local communities as a whole and members as individuals to benefit from the process (see Figure 8.8 for examples of enablers). More extensive studies and a well-constructed plan are needed.

Figure 8.15: Policy Supports for the Development Programmes Relating to Village Industries (VI) and Small Scale Industries (SSI)

- Integration of the promotional programmes in the sector with other area development programmes and the adoption of a cluster approach particularly for the traditional industries;
- Restructuring of the organizational base at the district level to make it more effective and result oriented;
- Development of appropriate technologies and skills, their effective extension and transmission;
- Increased availability of raw materials;
- Accelerated flow of institutional funds especially in favour of artisans, village industries and 'tiny' units, and the rationalisation of the interest rate structure;
- Organization of producer oriented marketing both within and outside the country;
- Selective reservation of items for exclusive production and purchase from the cottage and small industries;
- Effective promotion of ancillaries;
- Strengthening and extension of the cooperative form of organization particularly for the cottage and tiny units;
- Building up of a sound database to facilitate proper policy formulation and evaluation.

Source: Bharathi. (1994:41). Gandhian Approach to Rural Development.

A Consolidated Social Development Plan

It is obvious that the above-mentioned recommendations require a consolidated plan that puts everything into place to create meaningful results. Given that tourism is promoted for a social mission, its development must find its place in the overall social development agenda.

The local community's involvement, being the principal and owner of tourism development, is critical. Development is for the people, of the people and by the people. Yet, there is no guarantee that people will work for it rather than against it.

Involvement initiatives can enhance their sense of belonging, which is weak at the moment, and their feeling of ownership over the assets and the development, which is essential to solicit their support to the development programmes. Together with the advantages of capacity development and the distribution of economic benefits to the grassroots, community involvement becomes a critical challenge that has yet to be accomplished.

Community Involvement and Empowerment

Integration, community involvement, and empowerment, cooperation, collaboration, and cross-sector partnership are vital elements for success. It, however, requires extra care and effort to make these buzzwords meaningful and practical.

Many international and governments agents have featured community involvement as a solution to marginalization, exploitation and suffering. Community participation is also regarded as the most powerful means to facilitate transfer of technology (Botchway, 2001). There are four major rationales for the mobilizing of community involvement (Gow and Vansant, 1983):

- People organize best around problems they consider most important;
- Local people tend to make better economic decisions and judgments in the context of their own environment and circumstances;
- Voluntary provision of labour, time, money and materials to a project is a necessary condition for breaking patterns of dependency and passivity; and
- The local control over the amount, quality and benefits of development activities helps make the process self-sustaining.

There are, however, operational, structural and cultural limits to community participation in tourism development in LDCs. These limits are reflections of the prevailing socio-political, economic and cultural structure of the country concerned. The implementation of a participatory tourism development approach requires a total change in socio-political, legal, administrative and economic structure (Tosun, 2000). In many cases, these contextual configurations are beyond the communities and the government concerned. The high diversity of the society is a barrier to community involvement. The Cambodian society is composed of various

distinctive groups, which include the local urban, the rural sub-group, immigrants, refugees, expatriates, agents under missions, non-Khmer minorities, foreign investors and local elites. These groups each have their own unique characteristics in terms of ethnicity, livelihood, residency, social classes and share of power. Defining “community” as a socio-spatial entity and failed to recognise the heterogeneity could be detrimental. The constitution of the participation scheme must prescribe the target groups and their extent of participations. As in the case of Cambodia, while the government has been test-running community participative rural development programmes, the locals regretted that their voices were not heard.

The lack of technical skill, information, communication and transportation also limited people’s access to the system³³³. This might sound paradoxical as community involvement is designed for facilitating technology transfer. The reality is that basic knowledge and skills are essential for participation. Unless some training has been provided for the people, participation may only be window dressing.

The dominance of political and economic elites presents another barrier. The rural poor, especially, have very little say in development. Those in power, however, are motivated by their private interest to expel the poor from the game. As a result, development rather than improving the living standard of the poor, has led to serious landlessness among rural peasants. Political instability, the Pol Pot syndrome’s legacy, the lack of access to market, threats and damages by natural disasters, the publics’ scornful attitude towards government and politics, and the lack of social justice also discouraged local participation.

Despite all odds, community involvement and their participation in development are too critical that RGC should not easily give in. There are cases where community involvement proven attainable, for instance, the Boracay Island in the Philippine (Trousdale, 1999), Tasmania (Fallon and Kriwoken, 2003), the Nepalese Himalaya (Nepal, 2000) and Turkey (Göymen, 2000).

Empowerment³³⁴ is a resolution, which emphasizes the discussion of the merits of the market, the state and the community (Corbridge and Kumar, 2002). “Communities are also institutions, and they cannot be assumed to be undivided; nor

should they be defined in opposition to the state or the market, for community members are generally active in all three spheres of social exchange.” The core issues are power and access, and the recognition of the participation of intended beneficiaries in the design and implementation of programmes, which affect their lives. Empowerment will undo negative social constructions, thus enabling locals to see the benefits of the changes and their participation, to provide basic skill and knowledge for locals to participate, to prevent or stop exploitation of the weak, and to rectify the negative perceptions the locals might have of the government agents.

Empowerment, however, has its obstacles. The constitution of development with its emphasis on participation, empowerment and sustainability is sometimes a reflection to its blindness to the wider socio-economic context (see Botchway, 2001). It is also obvious that the local Cambodian communities are extremely short of resources to empower the locals. Authorities, therefore, must step in and fill the gaps.

Empowerment projects must recognise and appreciate the differences within the community. They are designed to rectify their deficiency, if any. This implies that empowerment has to balance the imbalances of power and influence. It is difficult as most empowerment programmes themselves promoted imbalance in design. For example, the village development programme in Cambodia is designed in such a manner that although local communities are encouraged to participate, the manner of their involvement and the development direction are somehow predetermined and manipulated. Locals are informed rather than really participating in the programme, or claiming any real ownership over it.

The design of an empowerment project must by itself promote local participation. In other words, locals should be consulted about the extent and scope of empowerment. Empowerment needs to be whole-hearted. “It is necessary to distinguish rhetoric from reality. Merely because there is a statement suggesting the wish to promote a more locally attuned strategy does not mean there is in reality a wish by the state to cede control of development” (Storey 1999:314).

Empowerment must be regarded as an ongoing process, which requires governmental supports in terms of funding and training. Central policies and the

development programme must be in line with the empowerment projects.

Governments and local communities should be complementing one another rather than conflicting in the course of development. The complete withdrawal of the state is virtually not possible (Botchway, 2001). “The state is today a major provider of social development services and ... largely determines how social development programmes will evolve. The state also has the power to shape and determine the nature of community participation activities in many Third World societies” (Midgley et al, 1986). Therefore, local participation should not be used as an excuse for the authorities to justify the evasion of its responsibility.

Figure 8.16: The Proposed Process of Social Empowerment

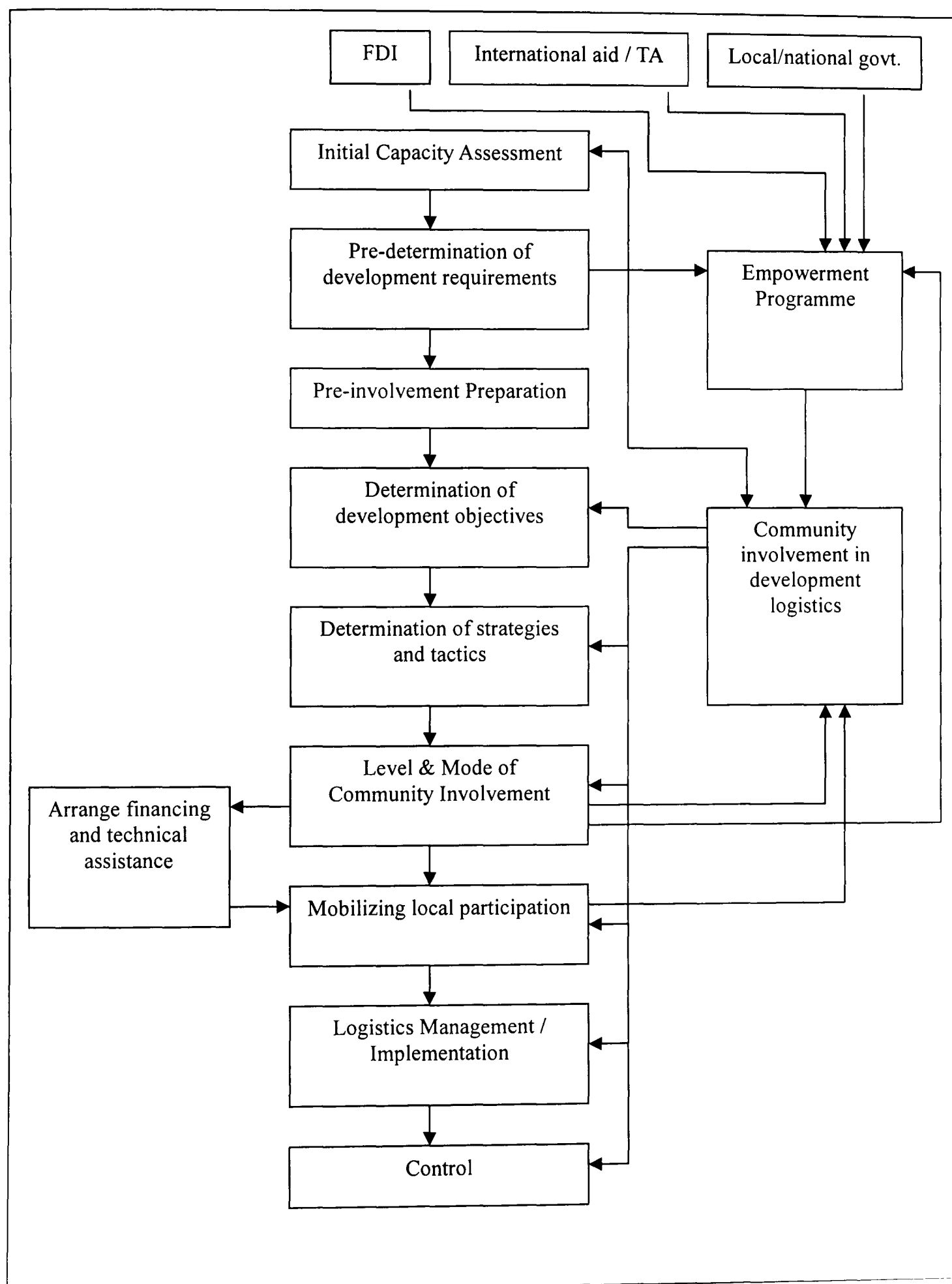


Figure 8.16 is a proposed model of empowerment for tourism development. The process starts with the assessment of capacities, which included the local communities' technical skill, knowledge and financial resources; the environmental resources constraints; and the sources of assistance. In order to ensure effectiveness, some pre-qualifying training has to be provided. Local communities have to participate in all the processes of the development, especially the determination of the goals, the decision on direction and modes of development. Special attention has to be given to mobilizing locals to participate. This includes the initial stage of arousing their attention and interest and making them realise the benefits and costs of tourism. The indigenous groups in Cambodia tend to be intrinsic and covert in their behaviour.

Community involvement has costs implications. Resources, therefore, have to be set-aside for it. Capital is an important determinant of the local communities' level and extent of involvement. For LDCs where local savings are scant, government and NGOs should consider allotting loan capital and financial assistance to facilitate local communities' participation. As in the case of Cambodia, Intergovernmental organizations and the Third Sector have filled part of the gap in facilitating the participation of local community. An additional point for consideration is that the logistics set out in Figure 8.16 is also evident for securing international aid and assistance. The more systematic the preparations and the more result-oriented the plan to be, the more likely the aid will be allotted³³⁵.

Human Resources Development

Related to empowerment are the issues of human resources and the labour market. Human resources are a critical issue in development and have direct implications in governance and policies, local communities and the private sectors. The main objective is to improve the supply of manpower, both in terms of quality and quantity.

Athukorala et al (2000) argues that deregulation and liberalization are emerging trends, which brought human resources from its domestic domain to an international arena. Together with rapid internationalisation, it "brought a myriad of new problems and policy challenges." The complexity of the labour arena actually

restricts the policy decisions of GMS member nations.

The large-scale continuous labour movements, the legislations related to minimum wages and child workers have redefined the environment. To a certain degree, it has curbed the competitiveness of the Cambodian economy. The minimum wage requirement, for example, has inflated the cost of investing in Cambodia.

Another important consideration is the international flow of labour. The different stages of development among the members of the GMS promoted the flow of manpower, which has two possible negative impacts on local communities (Athukorala et al 2000). First, labour importing countries might favour skilled labour over the development of talents through training. Second, the importation of labour would widen economic disparities by depressing the incomes of the local unskilled workers. Both phenomena have been witnessed in Cambodia during the research period. In order to rectify the situation, administrative initiatives, such as mandatory training programmes and minimum local worker participation, must be imposed.

Outwardly, the income differentials attracted many of the Cambodian workers to look for overseas employment opportunities. Although they will contribute to the local economy by supporting their family financially, there is no guarantee that they will bring needed skills and know-how to the local economy.

The RGC should be actively involved, through the Labour Department or the Ministry of Internal Affairs, in the process of importing and exporting workforce. Agents and offices should be established or appointed to take care of the logistics and the interests of workers.

As a conclusion, the following are recommended for immediate action. They included: construct an effective labour market policy in the context of both the overall development and tourism development; establish training facilities for developing local capacity; discern the needs of labour importation; reform the education system in view of the long-term human resources demands; install an effective migration policy; strengthen the information system; and reform the

education system. Some of these suggestions have been initiated with the financial and technical assistance of international organizations as at 2003.

Training and education are important developmental tactics, which serve the purposes of eliminating the transitional “unofficial” workers for the industry; standardize the service quality; enhance tourists’ satisfaction; and improves tourism workers’ social status. The major objectives are to provide all children with foundational education, which enables them to take the opportunities of and contribute to the development of the nation; and to improve the productivity and competence of the labour force. Educational reform has to address the lack of educational institutions and teachers. Both basic education and vocational training³³⁶ have to be made available to the public. The current system is backward, seriously lacking financial support and without a clear direction or system. Although various NGOs, institutions and business organizations have been operating training programmes, they cannot rectify the deficiency.

Owing to the lack of financial and human resources, it is preferable to capitalize private in-house training programmes as an alternative source of training. The government should consider offering incentives to encourage in-house trainings. It can be made mandatory for foreign investors to offer education and training to their staff. Post-secondary institutions should establish co-operative programmes with established overseas institutions. The RGC should mobilize expatriates, government officials and foreign agents in Cambodia to serve as trainers. Foreign assistants, such as visiting scholars, could also be solicited to fill the gap in resources.

Vocational training should be tailor-made to satisfy the market’s specific demand. Government and the private sector, on the other hand, should offer good opportunities to local graduates so as to maintain and provide track records of successful cases for promoting the new education system. The government should encourage business enterprises to employ local graduates.

Athukorala et al (2000:104) suggested a cooperative endeavour between countries in the GMS to assess the nature of manpower of various nations, to develop a central pool of talent, to match the supply and demand, and to provide

institutional collaboration in skill development. This, however, might have a negative impact to those less developed economies since they will be in an unfavourable position in terms of skill and knowledge level. Therefore, they would be easily identified as supply countries for cheap unskilled labour. This would only lead to the widening of the gaps among the various nations and the marginalization of weak ones. The RGC, therefore, has to strategically manage the importation of a skilled foreign workforce and the development of local talents.

Human resource development is a long-term strategic commitment. The resources needed should be carefully calculated and possible sources should be consulted to ensure plans are actionable. Educational programmes, unlike vocational and in-house trainings, should aim at providing both technical skills and attitudes, such as social responsibility. The educational development should also aim at developing local educational capacities. Given the paucity of resources, government should actively collaborate with the private sector and solicit supports for training opportunities. For example, airlines and hotels can be mobilized to support academia exchange programmes, which universities and schools alone will find it difficult to implement.

CONCLUSION

The contribution of this thesis is three-fold. First, it contributes to the knowledge of the subject, i.e., tourism and development in less developed countries. Second, it contributes to the practical arena of tourism planning, policy-making, development and governance. During the research process, the researcher has the privilege to present and share his views and findings to various parties including the RGC in events organized by UNESCO, WTO, ECTWT and Oxfam. These provided the researcher with opportunities to verify his works, to collect feedbacks and, more importantly, to contribute to the practical arena by application of the knowledge developed. Third, the researcher accumulated both theoretical knowledge and research techniques during the study process.

This thesis is not intended and nor is it possible to provide answers to all the questions and problems mentioned. More questions emerged. The researcher.

however, wishes to provoke further investigation and add to knowledge regarding tourism as a development agent for LDCs. Perhaps as Hoff (1998:231) argued, “research is a basis and stimulus for sustainable development.” The research process itself can become a channel for social change, which is both scientifically sound and socially acceptable. Despite the fact that it is naïve to believe that this research can improve the livelihood of the Cambodians, the findings and discussions can be contributory to the formulation of more effective and efficient policy, which would eventually promise a sustainable mode of development for Cambodia. Through further debates, discussion and research, an improvement in the living standards, the mitigation of poverty and inequity may be possible. Tourism’s potential, as a development agent, should be more fully explored.

“In most of my life, I have been in war and trouble. It is a great pleasure to see the dream [of peace] come true. Tourism symbolized peace and prosperity.” Veng Sereyvuth, Minister of Tourism (2000³³⁷).

As for future research agenda, the researcher sees the need to investigate the relationship between tourism and poverty alleviation, political development and social advancement. The effectiveness of community involvement and village-based industry/development are also critical areas to be studied. The researcher is also keen to review how many of the recommendations have been implemented and how effective they are. For those failure cases, it is also crucial to identify the reasons behind.

³¹⁰ Asian Development Bank. (2002). Asian Development Outlook 2002 (ADO). Retrieved from WWW: <http://www.adb.org/documents/news/2002/nr2002042.asp>

³¹¹ Back-up industry refers to the supply of materials, work-in-progress, services, power, heating and lighting, which are essential to the development and operation of industries.

³¹² Cited in Baud-Bovy and Lawson (198:158).

³¹³ In Baum and Mudambi, 1999:189

³¹⁴ Although the three parties of the triangle are for the same set of objectives, they functions on different levels for different purposes. The NTB is the bridge between the government and the private sectors, including the Third sector; the cross-disciplinary committee is the round table of various governmental bodies; and MoT is the action unit for the implementation of policies.

³¹⁵ Royal Government of Cambodia, “The Rule of Law,” position paper presented to ICORC-3, Paris, March 14-15, 1995, p.1.

³¹⁶ Quoted in Quibria and Dowling 1996, pp6

³¹⁷ Interview in 1999.

³¹⁸ Reported in Bernander, 1995

³¹⁹ Watch Tower Bible and Tract Society of Pennsylvania (2000). argued that greed couldn’t be satisfied. “A mere lover of silver will not be satisfied with silver, neither may a lover of wealth

- with income.” (Ecclesiastes 5:10). Why so much corruption? The WatchTower. Retrieved from WWW: http://www.watchtower.org/library/w/2000/5/1/article_01.htm
- ³²⁰ Anon. (1999b) personal communication in Hong Kong. The respondent is a Chinese Preacher on a regular mission to Battambang, Cambodia.
- ³²¹ Bernander, Bernt. et al. (1995). Facing a Complex Emergency: Evaluation of Swedish Support to Emergency Aid to Cambodia, Swedish International Development Authority, Stockholm, pg. 160. cited in Curtis (1998).
- ³²² The Cambodian government has committed itself to develop “Cambodian society into one which respects fundamental standards deriving from the creation of a body of law, an impartial judicial and enforcement process, and a transparent and accountable public service; and a respect for human rights, social justice, fairness, the immutable sanctity of contracts, and personal honesty and integrity.” (Royal Government of Cambodia. (1995). The Rule of Law, p.1.
- ³²³ Braybrooke, David and Lindblom, Charles E. (1970). A Strategy of Decision: Policy Evaluation as a Social Process, A Free Press Paperback, Macmillan Publishing Co., Inc. pg.4.
- ³²⁴ Thun Saray is the president of ADHOC, a local human rights and development organization during the post-UNTAC period. He also served as a spokesperson for local human rights groups and other indigenous nongovernmental organizations.
- ³²⁵ The Cooperation Committee for Cambodia (CCC) was established in 1990 by NGOs in Cambodia for facilitating and coordinating the work of and strengthening the links between NGOs, the Cambodian Government, international organizations and other agencies supporting relief, reconstruction, and development efforts.
- ³²⁶ The NGO Forum on Cambodia was established in the mid-1980s among a group of organizations with a view of coordinating and supporting advocacy activities and to support capacity building of local partners to carry out advocacy while respecting their independence. The Forum is particularly interested in the impact of development; social, economic and political changes on people; and mobilizing international support for developing Cambodia. As of mid-1996, the Forum had more than forty members. (NGO Forum on Cambodia, Annual Report 1996).
- ³²⁷ Attracting new visitors is a major concern for destinations to increase revenues and maintain sustainable development (Vogt, Stewart and Fesenmaier, 1998).
- ³²⁸ ISO 14000 defines EMS as “the part of the overall management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy.”
- ³²⁹ NHS 1998 is funded by Basic Health Services Project – ADB Loan No. 1447-CAM (SF) and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)
- ³³⁰ Department of Planning and Health Information, MoH (1999). The National Health Statistics Report 1999.
- ³³¹ Baud-Bovy and Lawson also sub-categorized accommodation facilities into nine groups: Hotels, Guesthouses and Pensions, Motels and Lodges; Hotels Garnis, Hostel Accommodation, Condominiums, Holiday Villages, Individual Hosing, Camping Sites and Caravan Sites.
- ³³² Rate for a regular single room night ranged from less than US\$10 to more than US\$200 but a significant gap existed between the ends of the continuum. There is a shortage of good quality three and four-star hotels in the country. All the high-end establishments are FDI projects but, by contrast, the lower end establishments are by and large domestic investments by local Chinese.
- ³³³ Currently, over 80% of the population is living in the rural areas. The adult literacy rate in 1998 was 68% with a net lower secondary enrolment rate of 23%.
- ³³⁴ Empowerment has become a buzzword in development and poverty alleviation strategies (Botchway 2001). The uprising of participation can be explained as the result of the failure of the early top-down approach of development in the 1950s (Botchway, 2001).
- ³³⁵ This is revealed by various staff of internatinoal NGOs and intergovernmental organization.
- ³³⁶ Currently, there is only one private institution in Cambodia offering a tourism management programme to students at under graduation level. The tuition fee, US\$40,000 per year, is very expensive.
- ³³⁷ Veng, Sereyvuth 2000. Personal communication.

EPILOGUE

“Enduring peace can be achieved only if economic development plans help redress the deep socio-economic gap within Cambodia and the glaring economic imbalance between Cambodia and its neighbours....” Nayan Chanda of Far Eastern Economic Review (Nguyen, 1999:227)

THE MEKONG RIVER TRAVEL AND TOURIST’S SELF-CONCEPTUALIZATION

Paul Leung, Ada Lo and Pamela Ho still runs through the land and its peoples but context has changed vigorously (Nayan 1999:237). As the conflicts started to settle and peace restored in the region, governments and their subjects have to face new challenges. While the war against poverty lingers on, capitalism, globalization, economic imperialism, technological shocks and financial turbulence hit the communities violently. Cambodia, as one of the smallest, poorest and weakest nations, has to deal with these threats and to capitalize the limited opportunities for developing a self-subsistent economy. The goal of this thesis is, very much in line with those of the Royal Government of Cambodia, “to render justice to all those Cambodians who paid a long sacrifice of starvation, humiliation, physical deprivation and the absence or lack of school and health facilities” (Chhon, 1998:2). This “noble” goal, however, cannot be achieved overnight or possible with the marginal contribution of this thesis. It is hoped that contributions to development can accelerate and make a real difference in the end.

The relevance of this thesis is not and should not be limited to the body of knowledge in regards to tourism development but to the nations and its people. As proclaimed by Rodolfo C. Severino, Jr., the Secretary-General of ASEAN in his speech at the ASEAN Business Summit on 11th April 2000 that the central question of S. E. Asia is “how can the people of this region compete, and thus raise their living standards, in a global economy that is being integrated and transformed by policy and technology

interacting with each other?” The situation is severe in terms of the level of poverty and suffering. Tourism is a hope for alleviating the problems. A mechanism intertwined with the various disciplines involved. A system operates within a bigger and more complex context. It was affected by and at the same time affecting the contextual environment.

Developing tourism in a post-war community is nothing like developing a virgin land. Although there might be certain infrastructures left over, the burden and problems are varied, intensified and enormous. The recommendations of this thesis served as a stepping-stone for further discussion and debate. I hope that Cambodia can soon step out of the problem of poverty. By then, social stability and security are more attainable, and prosperity is more accessible. As mentioned earlier, this thesis generated more question than answers. As if it is a truth that a PhD thesis is a beginning rather than an end, may the quest for knowledge and the search for truth prevail and suffering cease to exist.

APPENDICES

APPENDIX A: ASEAN SOCIO-ECONOMIC INDICATORS

Table A1: Key Socio-economic Indicators for GMS countries as at 1996

	year	Thailand	PRC Yunnan ¹	Vietnam	Myanmar	Cambodia ²	LaoPDR
Land area ('000 sq. Km)		511	9326(394)	325	658	177	231
Real GSP growth	1980-90	7.6	10.4(8.2)	4.6	0.6	---	3.7
	1991-96	8.3	12.3(11.0)	8.5	6.8	6.5	6.7
GNP per capita (US\$)	1996	2960	750(442)	290	255	287	400
HDI	1993	0.83	0.61	0.54	0.45	0.33	0.34
Ranking		52	108	121	133	156	138
Structure of output ³ (%)	1996	100	100(100)	100	100	100	100
Agriculture ⁴		11	21(24.4)	27	60	51	52
Industry ⁵		40	48(44.01)	31	10	15	21
Manufacturing		29	43	22	7	5	15
Services		50	31(31.5)	42	30	35	28
Population (mn)	1995	59.5	1211.2(39.9)	74.0	49.7	10.7	4.6
Female share	1995	48.5	49.0(48.4)	51.2	50.3	52.2	51.5
Avg. ann. growth (%)	1991-95	1.1	1.8(1.3)	2.2	2.2	2.5	2.6
Urban population (mn)	1995	11.9	461.5(18.2)	14.9	11.6	1.5	1.0
Share (%)	1995	20	38.1(45.6)	20.2	26	14.4	21.0
Avg. ann. growth (%)	1991-95	2.4	2.6	3.1	3.3	---	6.4
Labour force (mn)	1995	33.4	831.8(26.6)	42.8	23.1	4.7	2.1
Avg. ann. growth (%)		1.6	2.2	2.8	2.8	---	2.8
Female share (%)		47.0	---	50.4	43.2	53.2	50.8
Employment by sector	1995	100	100(100)	100	100	100	100
Agriculture		48.0	52.9(75.8)	71.6	64.1	81.6	83.2
Industry		---	23.0(9.9)	13.9	---	2.8	3.2
Manufacturing		29.0	---	12.1	8.4	2.2	1.2
Services		---	24.1(14.3)	14.4	---	15.6	13.6
Education ⁶	1994						
Adult illiteracy		6.0	19.0	6.0	17.0	31.3	43.0
Prim. school enrolment							
Male		98	120	90.1	93	77.7	123
Female		97	116		80	85.0	92
Secondary school							
Male		38	60	45.2	---	16.2	31
Female		37	51		---	10.6	19
Tertiary enrolment		19	4	2.1	---	1.5	2

Note:

¹ Figures of Yunnan are given in brackets;

² Data on population, labour force, employment and education are as at March 1996;

³ At current purchasers' prices;

⁴ Including forestry and fishing;

⁵ Mining, manufacturing, electricity, gas and water; and construction;

⁶ As a percentage of the relevant age group.

Source: Athukorala et al (2000): 4-6

Table A2 Key Socio-economic Indicators for GMS countries as at 2000

	year	Thailand	PRC ¹	Vietnam	Myanmar	Cambodia ²	LaoPDR
Land area ('000 sq. Km)		511	9326(394)	325	658	181 ³	231
Real GSP growth						5.4	
GNP per capita [pppUS\$]	2000	6,402	3,976	1,996	1,027	1,446 (255)	1,575
Human Development Index ⁴	2000	0.762	0.726	0.688	0.552	0.543	0.485
Country Ranking		70	96(PRC)	109	127	130	143
Population (mn)	2000	62.8	1,275	78.1	47.7	13.1	5.3
Female share							
Avg. ann. growth (%)	1975-2000	1.7	1.3	2.0	1.8	2.5	2.2
Urban Population ⁵	1975	15.1	17.4	18.8	23.9	10.3	11.1
	2000	19.8	35.8	24.1	27.7	16.9	19.3
	2015	24.2	49.5	31.6	36.7	26.1	27.1
Education ⁸							
Adult illiteracy ⁹	1998	95.5	84.1	93.4	84.7	67.8	48.7
Prim.school enrolment	2000					90.0	
Male							
Female						84.0	
Secondary school						23.0	
Male							
Female						0	
Tertiary enrolment							
Life expectance ⁹		70.2	70.5	68.2	56	56.4	53.5

Notes:

1. Figures of Yunnan are given in brackets.
2. Data on population, labour force, employment and education are as at March 1996.
3. Australian Department of Foreign Affairs and Trade. (2001). Country Brief, September 2001. <http://www.dfat.gov.au/geo/cambodia/>
4. Human Development Index (HDI) is a composite index of achievement in basic human capabilities in three fundamental areas: a long healthy life, knowledge and a decent standard of living. The ranking is among 174 countries.
5. At current purchasers' prices.
6. Including forestry and fishing.
7. Mining, manufacturing; electricity, gas and water; construction.
8. As a percentage of the relevant age group.
9. UNDP. 2002. Human Development Report 2002. New York, Oxford University Press

Table A3: Human Development Value Trend (1975-2000)

	1975	1980	1985	1990	1995	2000
Thailand	0.604	0.645	0.676	0.713	0.749	0.762
China	0.523	0.554	0.591	0.625	0.681	0.726
Vietnam	n.a.	n.a.	0.583	0.605	0.649	0.688
Myanmar	n.a.	n.a.	n.a.	n.a.	n.a.	0.552
Cambodia	n.a.	n.a.	n.a.	0.501	0.531	0.543
Lao PDR	n.a.	n.a.	0.374	0.404	0.445	0.485

Source: UNDP. 2002. *Human Development Report 2002*. New York, Oxford University Press

Table A4: Poverty Penetration Rate

	\$1 a day (1993 ppp US\$) 1983-2000	\$2 a day (1993 ppp US\$) 1983-2000	National Poverty line
Thailand	<2	28.2	13.1
China	18.8	52.6	4.6
Vietnam	n.a.	n.a.	50.9
Myanmar	n.a.	n.a.	n.a.
Cambodia	n.a.	n.a.	36.1
Lao PDR	26.3	73.2	46.1

Source: UNDP. 2002. *Human Development Report 2002*. New York, Oxford University Press

APPENDIX B: CAMBODIA SOCIO-ECONOMIC STATISTICS

Table B1: Poverty and Social highlights

2001	Cambodia	East Asia & Pacific	Low-income
Population, mid-year (millions)	12.3	1,826	2,511
GNI per capita (Atlas method, US\$)	270	900	430
GHI (Atlas method, US\$ billions)	3.3	1,649	1,069
Average annual growth, 1995-2001			
Population (%)	2.3	1.1	1.9
Labour force	2.6	1.3	2.3
Most recent estimate (latest year available 1995-2001)			
Poverty (% of population below national poverty line)	36	--	--
Urban population (% of total population)	16	37	31
Life expectancy at birth (years)	54	69	59
Infant mortality (per 1000 live birth)	88	36	76
Child Malnutrition (% of children under 5)	47	12	
Access to an improved water source (% of population)	119	107	96
Illiteracy (% of population age 15+)	32	14	37
Gross primary enrollment (% of school-age population)	119	107	96
Male	128	106	103
Female	110	108	88

Source: The World Bank. Retrieved December 2002 on WWW: [Http://inweb18.worldbank.org](http://inweb18.worldbank.org)

Table B2: Economic Highlights

		1991	2000	2001
GDP (US\$ billions)		1.6	3.4	3.4
Gross domestic investment/GDP		9.4	13.5	17.9
Exports of goods & services/GDP		11.9	50.4	53.2
Gross domestic savings/GDP		7.8	4.3	9.8
Gross national savings/GDP		8.2		
Current account balance/GDP		-1.5	-9.4	-9.4
Interest payments/GDP		0.9	0.4	0.1
Total debt/GDP		113.4	78.3	79.4
Total debt service/exports			1.9	1.2
Present value of debt/GDP			58.3	
Present value of debt/exports			122.3	
(average annual growth)	1991-01	2000	2001	2001-05
GDP	4.8	7.7	6.3	4.5
GDP per capita	2.1	5.3	4.1	2.6
Exports of goods and services	19.0	36.5	14.6	10.0

Structure of the Economy

(% of GDP)		1991	2000	2001
Agriculture		49.9	38.2	36.9
Industry		12.1	20.8	21.9
Manufacturing		5.3		
Services		38.0	41.0	41.2
Private consumption		84.8	90.0	84.2
General government consumption		7.4	5.7	6.0
Imports of goods and services		13.6	59.6	61.3
(average annual growth)		1991-01	2000	2001
Agriculture		1.6	-0.3	3.9
Industry		10.1	34.6	15.5
Manufacturing		8.6		
Services		6.2	5.8	2.7
Private consumption		1.7	2.3	2.2
General government consumption		3.1	15.5	13.1
		10.5	-10.7	25.5
Imports of goods and services		12.2	17.5	12.6

Prices and Government Finance

Domestic Prices		1991	2000	2001
(% of change)				
Consumer prices			-0.8	-0.6
Implicit GDP deflator		107.4	4.7	-2.8
Government financed				
(% of GDP, including current grants)				
Current revenue		4.5	10.7	12.2
Current budget balance		-2.9	1.5	1.5
Overall surplus/deficit		-3.3	-5.2	-6.0

Trade

(US\$ million)		1991	2000	2001
Total trade (fob)		213	1,383	1,451
Rubber		19	49	
Logs & sawn limber		25	11	
Total import (cif)		245	1,881	1,950

Balance of payments

(US\$ million)		1991	2000	2001
Exports of goods and services		227	1,587	1,681
Imports of goods and services		258	1,927	2,006
Current account balance		-25	-318	-320

External debt and resource flows

(US\$ million)	1981	1991	2000	2001
Total debt outstanding and disbursed	1	1,852	2,635	2,704

Source: The World Bank. Retrieved December 2002 on WWW: <http://inweb18.worldbank.org>

Table B3: Percentage Distribution of Employment by Primary Occupation¹, May-July 1996

	Cambodia	Phnom Penh	Other Urban Areas	Rural Areas
Senior Officials and managers	0.3	1.3	0.5	0.2
Professional	2.0	7.5	2.6	1.6
Technical and related occupations	2.1	12.7	4.3	1.0
Clerks	0.1	0.7	0.2	0.03
Service and sales workers	8.7	35.3	15.2	5.9
Agricultural and fishery workers	75.7	14.8	62.4	81.9
Craftsmen and related workers	4.8	9.0	4.6	4.4
Plant and machine operators	1.5	6.5	3.9	0.9
Elementary occupations	3.9	8.2	4.6	3.5
Unclassified	1.0	4.1	1.7	0.7
Total	100	100	100	100
Total ('000)	4868	330	526	4112

Note.

¹ Persons aged 10 or above.

Sources: National Institute of Statistics, Socio-Economic Survey of Cambodia – 1996, Phnom Penh (cited in Athukorala et al, 2000:62).

Table B4: Labour Force Participation and Unemployment Rates

	Labour force participation rate			Unemployment		
	Overall	Male	Female	Overall	Male	Female
Cambodia	55.5	56.5	54.5	5.3	4.7	5.9
Phnom Penh	49.1	56.3	42.5	12.6	8.9	17.0
Siem Reap	58.2	59.1	57.4	4.6	3.9	5.3
Krong Preah Sihanouk	49.2	57.8	41.0	8.3	6.5	10.8
Kampot	56.8	54.9	58.4	3.7	3.6	3.8
Bat Dambang	50.7	54.7	46.9	8.0	6.8	9.3
Krong Kaeb	54.7	55.5	53.9	2.0	2.2	1.9
Svay Rieng	58.1	53.8	61.9	2.1	2.1	2.1

Source: National Institute of Statistics, 1998 Population Census of Cambodia

Table B5: Employment

Percentage distribution of women by employment status and continuity of employment, according to background characteristics, Cambodia 2000.

Not currently employed	
Did not work in the last 12 months	17.8%
Worked in the last 12 months	8.7%
Currently employed	
All year	23.6%
Seasonally	47.6%
Occasionally	1.9%
Missing	0.3%
Number of women	15,351

Source: National Institute of Statistics. Retrieved from WWW:
<http://www.nis.gov.kh/surveys/cdhs2000/cmbprof.htm>

Table B6: Educational attainment of household population

Percentage distribution of the de facto household population age six and over by highest level of education attended, according to background characteristics, Cambodia 2000.

	Male	Female
No Education	19.2	34.2
Preschool	1.2	1.2
Some primary	52.8	50.3
Completed Primary	6.6	4.2
Some secondary	16.9	8.8
Completed Secondary	2.4	0.9
More than secondary	0.8	0.2
Total	100.0	100.0
Number	26,238	29,117
Median years of schooling	2.5	1.1

Source: National Institute of Statistics. Retrieved from WWW:
<http://www.nis.gov.kh/surveys/cdhs2000/cmbprof.htm>

Table B7: School Attendance Ratios

Net attendance ratios (NARs) and Gross attendance ratios (GARs) for the de jure household population by level of schooling and sex, according to background characteristics, Cambodia 2000.

Primary School	Male	Female	Total
NAR	68.7	66.5	67.6
GAR	97.1	86.9	92.0
Secondary School			
NAR	20.4	12.3	16.4
GAR	25.5	13.7	19.6

¹ The NAR for primary school is the percentage of the primary-school-age (6-12 years) population that attending primary school. The NAR for secondary school is the percentage of the secondary-school-age (13-18 years) population that is attending secondary school. By definition, the NAR cannot exceed 100 per cent.

² The GAR for primary school is the total number of primary school student, among those of any age, expressed as the percentage of the official secondary-school-age population. If there are significant numbers of overage and underage students at a given level of schooling, the GAR can exceed 100 per cent.

Source: National Institute of Statistics. Retrieved from WWW:
<http://www.nis.gov.kh/surveys/cdhs2000/cmbprof.htm>

Table B8: Visitor Arrivals to Cambodia in Quarter, 1999-2000 (Mode of Arrivals)

Year	1999				2000				Change 99/00
	by Air		Land and Boat	Total	by Air		Land and Boat	Total	
	Pochentong	Siem Reap			Pochentong	Siem Reap			
1st Quarter	57,734	4,475	25,700	87,909	71,966	19,874	27,936	119,776	36.25%
2nd Quarter	52,890	4,852	26,687	84,429	60,558	14,522	28,358	103,438	22.51%
3rd Quarter	57,202	7,128	26,328	90,658	60,197	20,119	30,795	111,111	22.56%
4th Quarter	66,556	12,070	26,121	104,747	71,928	32,497	27,615	132,040	26.06%
Total	234,382	28,525	104,836	367,743	264,649	87,012	114,704	466,365	26.82%

Source: Ministry of Tourism

APPENDIX C: FOREIGN AID AND ASSISTANCE

Table C1: ADB loans to Cambodia as of 31st December 2000

Sector	Loan (number)	Loan amt (US\$ million)	%
Transportation & communications	3	123.0	25.3
Multi-sector	2	122.7	25.3
Social infrastructure	5	100.0	20.6
Agriculture & natural resources	4	91.1	18.8
Energy	3	48.5	10.0
Total	17	485.3	100.0

Source: Cambodia Fact Sheet on ADB at

http://www.adb.org/documents/Fact_Sheets/CAM.asp?p=ctrycam

Table C2: ADB Cofinancing and Export Credits to Cambodia from 1st January 1996 to 31st December, 2000

Project	ADB loan amt (US\$ million)	Cofinancing Amt (US\$ million)	Type of cofinancing
Emergency Flood Rehabilitation	55.0	2.00	Official cofinancing
Provincial Power Supply	18.6	2.50	Official cofinancing
Stung Chinit Irrigation & Rural	16.0	2.60	Official cofinancing
Infrastructure Primary Roads Restorations	68.0	6.86	Official cofinancing
Phnom Penh Water Supply & Drainage	20.0	7.30	Official cofinancing
Basic Education Textbook	20.0	3.20	Official cofinancing
Official loans	6 loans projects, cofinancing of US\$24.46 millions		
Technical Assistance	3TA projects, cofinancing of US\$1.71 millions		

Note: ADB arranges cofinancing from official, commercial and export credit sources as additional resources for project financing.

Source: Cambodia Fact Sheet on ADB at

http://www.adb.org/documents/Fact_Sheets/CAM.asp?p=ctrycam

Table C3: UNDP's involvement in Cambodia

Area	Objectives	Level of participation
Macro Management	To support the government's reform in macroeconomic stabilization, rebuilding of institutions, and re-establishing the social and economic infrastructure.	In collaboration with ADB, training and advisory services were provided in: macro-economic planning; fiscal reform; money; and banking. Facilitated the 1 st socio-economic survey by the Ministry of Planning in 1994. In collaboration with IMF, provided a comprehensive TA programme in support fiscal and monetary management. The main objectives included the formation of the Central Bank and the tax & custom reform.
Sectoral Policy and Management	To strengthen policy and management functions with the aim of improving the delivery of key public services at the grass-roots level.	Programmes focused on health, education and tourism. UNDP involved in assisting the relevant ministries in defining their roles, determining the size, structure and financial requirement. UNDP also assist to locate aid and financing for the reform and participate in their planning. In 1994 till 1996, UNDP's contribution to health sector amounted US\$3.12 million with an addition of parallel funding of about \$2 million from UK/ODA, WHO and the American Red Cross. In education, UNDP/UNESCO jointly offered support programme of US\$3.2 million in 1994 and another \$1.6 million by UNDP in 1995. UNDP started from the planning state has been involved in the development of tourism in Cambodia. The main purpose is to assist and provide capacity building to the MoT in planning, development, marketing, and management. UNDP also involved in the human resources development and the redevelopment of the Pochentong International Airport.
Administrative Reform	To structure the Royal Government and its administration including the legal system, and the ministries responsibilities; To strengthen administration capacity; To reform the civil services; To develop human resources; and To redefine and strengthen the relationship between central and provincial administrations; To downsize the public services including social safety nets and re-training schemes. .	UNDP has a leading role in the National Programme of Administrative Reform (NPAR). US\$3.1 million of the \$8 million required budget come from UNDP.
Governance	To promote human rights and democracy;	In 1994, UNDP contributed US\$2 million in this aspect.

	To re-install legislative and judicial institutions.	
Aid coordination	<p>To promote and facilitate consensus among ministries;</p> <p>To assist national institutes to mobilize, program and implement externally provided resources;</p> <p>To strengthen the negotiation capacity of Cambodia in international agreements; and</p> <p>To articulate and operationalize its mandate via CDC.</p>	<p>UNDP instituted the Cambodian Development Council (CDC) to facilitate development and implement the National Program to Rehabilitate and Development Cambodia (NPRD).</p> <p>To develop a database to facilitate and gauge external supports and to promote understandings.</p>
Infrastructure	<p>To rehabilitate the country and to develop local capacity for development.</p> <p>To solicit bilateral and multilateral supports and gradually phase out direct assistance.</p>	<p>Involved started in early 1991.</p> <p>From 1991-1994, provided \$21.9 million, of which \$14.8 million comes from core UNDP resources.</p> <p>Major areas included Transportation; Water and Power Utilities; and Telecommunications.</p>
TOKEN	To utilize the Khmer expertise overseas to develop local capacity.	<p>In 1993 and 1994, 106 Khmer consultants completed their assignment in Cambodia in the fields of agriculture, health, culture, industry, education, environment, public works, tourism, administration and macro-economic management. A total 980 government officials and 1,100 teachers and students were reported benefited from the missions.</p>
Reintegration to the world community	To facilitate Cambodia's reunion to the regional and global political and economic system.	Main involved in the preparation of application for memberships.

Sources: the Royal Government of Cambodia

Table C4: summary of External Assistance Disbursements, by type, in thousands of US dollar, 1992-97

Type of assistance	1992	1993	1994	1995	1996	1997	Total (92-97)	% allocation
Free-standing technical cooperation	39,434	77,995	106,197	172,762	186,973	176,008	759,369	32.49
Investment-related technical cooperation	8,855	7,305	16,018	34,550	50,652	25,555	142,935	6.12
Investment project assistance	32,758	67,471	122,510	174,447	159,184	130,614	686,984	29.40
Budgetary aid/balance of payments support	1,410	73,486	69,170	77,887	66,493	2,647	291,093	12.46
Food aid	39,227	26,034	12,394	4,001	0	632	82,288	3.52
Emergency & relief assistance	128,499	69,600	31,756	49,673	54,780	39,948	374,256	16.01
Total disbursement	250,183	321,891	358,045	513,320	518,082	372,404	2,336,925	

Source: Council for the Development of Cambodia, "Development Cooperation Report (1997/1998), Main Report" (June 1998) cited in Peou (2000:434-436)

APPENDIX D: LIST OF KEY INFORMANTS

Name and position	Organization	Nature of organization / individual
Academia and researchers		
Prof. Hor Lat Dean	Faculty of Archaeology Royal University of Fine Arts	Also a member of the Ministry of Culture and Fine Arts
Prof. Malcolm Falkus Consultant Project on Labour Law Mfalkus@hotmail.com	World Bank	Professor in Social Study, specialized in a project related to the development and refinement of labour law in Cambodia.
Prof. Shinji Yamashita Professor of Cultural Anthropology	The University of Tokyo	
Prof. Walter Jamieson	Consultant to Minister of Tourism	As the team leader of a consultancy group, Professor Jamieson developed the Cambodia National Tourism Development Plan 2001-2005 for MoT.
Prof. Brain King Professor and Head	School of Hospitality, Tourism and Marketing Victoria University	
Dr. Neth Barom	Vice-Rector, Royal University of Phnom Penh	
Clemmie clmeeiep@hotmail.com		Researcher working on education reform of Cambodia and its relationship with development.
Government Authority		
Sisowath Chivannariddh Under Secretary of State	Ministry of Tourism Kingdom of Cambodia	Prince of Cambodia
Veng Sereyvuth Minister	Ministry of Tourism Kingdom of Cambodia	
Nuth Nin Doeurn Secretary of State	Ministry of Tourism Kingdom of Cambodia	
In Thoeun Deputy Director Incharge International Cooperation & ASEAN	Deputy Director In charge International Cooperation & ASEAN Kingdom of Cambodia	
Pak Sokhom Director Marketing and Promotion Department	Ministry of Tourism Kingdom of Cambodia	
Masaki Saito Ambassador of Japan	Embassy of Japan Cambodia	
Hiroyuki Watanabe Head	Second Operation Division Tourism Promotion Department International Tourism Development Institute of Japan	

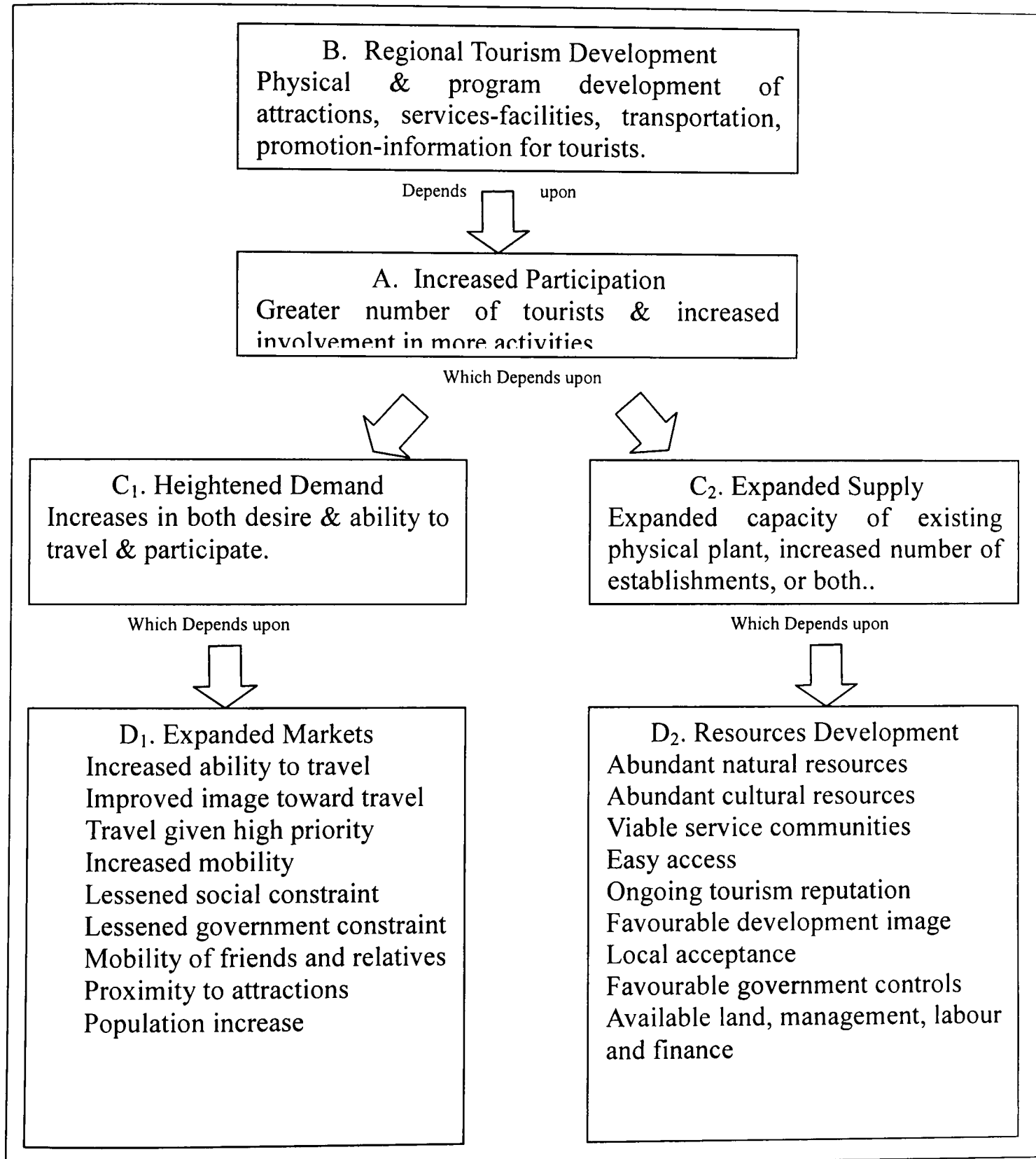
Suwat Jutakorn Director	Hotel and Tourism Training Institute Tourism Authority of Thailand	
International Agents		
Laurence Gray	World Vision	Co-author of Children's Work, Adult's Pay: Child Sex Tourism – A problem in Cambodia
Ryuji Yamakawa Chief Tourism Unit Transport, Communications, Tourism and Infrastructure Development Division	ESCAP United Nations	
Seung Mok Kim Expert on Tourism Tourism Unit Transport, Communications, Tourism and Infrastructure Development Division	ESCAP United Nations	
Yoshio Yamamoto Expert on Tourism Tourism Unit Transport, Communications, Tourism and Infrastructure Development Division	ESCAP United Nations	
Harsh Varma	WTO	
Xu Jing	WTO	
Srey Spaspanha	Oxfam, Cambodia	
So Yuk Yan	Oxfam, HK	Education program
Kitty Wan	Oxfam, HK	Sex industry, cultural tourism and development
Choi Yuk Yuk	Oxfam, HK	Sex industry and child prostitutes; Trade, economic development and globalization
Somsey Norindr United Nations Resident Coordinator	UNDP	
Sewoo Kim Program Manager	UNDP	
Michael MacNulty Executive Chairman	Tourism Development International	Specialized in tourism development consultancy project.
Micheal J. McVey Chief Technical Adviser	WTO	

Hotel Sector			
	Cherie Tan Director of sales & Marketing	Sunway Hotel Cambodia Partner of travel internet services in Cambodia since 2001	
	Ricky Ong Director of Sales	Hotel Le Royal Grand Hotel D'Angkor Cambodia	
	Kong Chhun President General Manager	Royal Palace Hotel 93 Monireth Road, Phsar Damkor, Khan Toulkok, Phnom Penh, Cambodia (855-23) 720875-6	
	Michel G. L. Horn Managing Director	Cambodiana Investment(s) PTE. Ltd. 151 Chin Swee Road, #14-12/14 Manhattan House, Singapore 169876 hmc55@singnet.com.sg	
	Ben Bala Director of Sales & Marketing	Sofitel 313 Sisowath Quay Phnom Penh (855-23) 426 288 marketing@bigpond.com,hk	
	Many Young Asst. Front Office Manager	Sunway Hotel No.1 Street 92 Sangkat Wat Phnom Phnom Penh Cambodia (855-23) 430 333 asunway@bigpond.com.kh	
Travel Agents and Tour Operators			
	Chatree Rungsisukchit Village tourism development	DAPA Tours Thailand	Tour Operator
July 4	Beat Schwager Manager	Asian Trails Ltd. Phuket, Thailand	Tour Operator
July 4	Frederick M. Tibbitts, Jr. President	Fred Tibbitts & Associates, Inc.	Consultants
	David Galloway	Chambers and Galloway & Associates Western Australia	Tour Operator
	Reth Chantha General Manager	APSARA Tours Cambodia	Travel Agent
	Chung Chan Sophea President	APSARA Tours Cambodia	Travel Agent

Stig Vagt – Andersen Managing Director	Den Adisti Co. Ltd. Thailand	Adventures Tourism
Sarah Capes Managing Director	Insight Cambodia Cambodia	Travel Agent
Tui Rutten Managing Director	First Travel Cambodia Cambodia	Travel Agent / Representative of Lufthansa
Geoff Manchester Director	Intrepid Travel Pty. Ltd. Australia	Specialized in rural tourism with remarkable success in Thai’s mountain villages.
Airlines and Transportation		
Yuvaee Srisawasdi Vice President Marketing & Sales	Angel Airlines Co., Ltd. Thailand	
Other private sectors		
Joann Chung	Specialist in Travel Retailing	Airport and duty free retailing
Joyce Leung	Advertising and Promotion Manager	Furama Hotel
Andy Brouwer Andy.brouwer@btinternet.com	Expert in Cambodia and tourism	Owner of a travel website.
Special Informants		
Albert (code name)	Traveller from Hong Kong	
Bob (code name)	Sex tourist from Hong Kong	
Chris (code name)	Artefacts trader	

APPENDIX E: RESOURCES ASSESSMENTS

Figure E1: Tourism Development Dependency Hierarchy



Source: Gunn, Clare A. (1988). *Tourism Planning*: 219.

Table E1: Proforma Statement of Resources / Attractions

Resources	Particular	Evaluation Criteria	Product Transformation	Current Stage of Development
Cultural resources	Monuments	Historical value; uniqueness; ethnical value & sustainability	Cultural Tourism	Mass visitation
	Religious & Spiritual Sites	Historical value; uniqueness; ethnical & religious value; & sustainability	Cultural / Religious Tourism	Low
	Performing Arts	Historical value; uniqueness; ethnical value & sustainability	Cultural Tourism / General Interest	Low
	Crafts and Arts	Historical value; uniqueness; ethnical value & sustainability	Cultural Tourism / General Interest	Low
	Museum	Historical value and uniqueness of collections; presentation; & sustainability	Cultural Tourism / General Interest	Medium
	Festivals and events	Historical value; uniqueness; ethnical value; sustainability; fun & enjoyment	Cultural Tourism	Low
	Villages	Uniqueness; anthropological importance	Ethnic Tourism	Nil
Natural resources	Fauna	Diversity; sustainability & uniqueness	Natural Based Tourism	Nil
	Flora	Diversity; sustainability & uniqueness	Natural Based Tourism	Nil
	Wetland	Diversity; sustainability & uniqueness	Natural Based Tourism	Nil
	River and Marine	Diversity; sustainability & uniqueness	Natural Based Tourism & Water Sports	Low
	Park & Beaches	Diversity; sustainability & uniqueness	Natural Based Tourism & Water Sports	Low
	Weather & Climate	Comfort & impact on tourist activities		
Tourism Private Sector/ resources	Casino and Gambling	Availability, level and quality of services; uniqueness; fun & enjoyment		Low
	Sex services and nightlife	Availability, level and quality of services; uniqueness; fun & enjoyment	Sex Tourism	Extensive Activities
	Sports and recreations	Availability, level and quality of services; uniqueness; fun & enjoyment	Sport Tourism	Low
	Adventure	Availability, level and quality of services;	Adventure Tourism	Low

	Opportunities	uniqueness; safety; fun & enjoyment		
	Accommodation	Availability, level and quality of services; uniqueness; & location	As Augmented Product	Fragmented; polarized; medium level
	Tour services	Availability, level and quality of services; uniqueness; fun & enjoyment	As Augmented Product	Medium to Low
	Touristic Transportation	Availability, level and quality of services; uniqueness; fun & enjoyment	As Augmented Product	Nil
	Visitor facilities: Toilets, information services, parking, shops, eating facilities, and etc.	Availability, level and quality of services	As Augmented Product	Low

Shared Infrastructure	Meeting and convention facilities	Availability, level and quality of services; price and other supports	MICE	Low
	Transportation	Availability, level and quality of services; price; convenience & networking	As Packaged Product	Fair
	Health Care	Availability, level and quality of services	As Packaged Product	Low
	Security	Capacity	As Packaged Product	Low
Development resources	Human Resources	Quality; quantity & education system	As Packaged Product	Low
	Financial Institutes	Availability, level and quality of services		
	Governance	Capacities	As Packaged Product	Low

Note: The resources evaluation criteria presented in the table are specific to the particular resources. Other foundations such as importance, fragility, popularity and competitiveness are excluded for minimizing redundancy.

Table E2: Provincial Distribution of Attractions

Province	Cultural	Natural	Parks/Beaches	Recreation	Rural / Village
Banteay Meanchey	4	8			
Battambang	5	7			
Kampong Cham	1	4	1		
Kampong Chhnang	8	7			1
Kampong Speu	1	1	1	1	
Kampong Thom	5	4			
Kampot		8	1		
Kandal	8	1			
Koh Kong	1	6	7		
Kracheh	3	6	1		
Krong Kep	2	3	2		
Krong Pailin		5			
Krng Preah Sihanouk	3	1	8		
Mondul Kiri		7	3		1
Otdar Meanchey		2			
Phnom Penh	12				
Preah Vihear	2	1			
Prey Veng	2	3			1
Pursat	1	4			
Ratanak Kiri		10	2		
Siem Reap	21	6			
Stung Treng	1	4			
Svay Rieng	5				
Takeo		6			

Source: Cambodian National Tourism Development Plan 2001-2005:22

Table E3: Distribution of Major Hospitality Infrastructure by Province

Hotel	Hotels	Restaurants	Tour Operators	Travel Agencies
Phnom Penh	166	262	28	143
Siem Reap	157	61	1	74
Krong Preah Sihanouk	91	36	0	3
Kandal	13	25	0	0
Takeo	9	34	0	0
Battambang	16	18	0	0
Kampong Thom	12	28	0	0
Kracheh	19	18	0	0
Kampot	12	17	0	0
Pursat	8	11	0	0
Banteay Meanchey	0	0	0	18
Koh Kong	11	0	0	1
Svay Rieng	0	0	0	1
Otdar Meanchey	0	0	0	1
Total	514	510	29	241

Source: Cambodian National Tourism Development Plan 2001-2005:22

Table E4: Distribution of Hotels by Classification by Province

Province	Budget	Standard	Comfort	Superior	Deluxe	Total
Phnom Penh	89	59	14	6	2	170
Siem Reap	73	59	16	6	3	157
Krong Preah Sihanouk	61	25	5	0	0	91
Kracheh	18	1	0	0	0	19
Battambang	9	7	0	0	0	16
Kandal	13	0	0	0	0	13
Kampong Thom	10	1	1	0	0	12
Kampot	10	2	0	0	0	12
Koh Kong	10	1	0	0	0	11
Takeo	9	0	0	0	0	9
Pursat	7	1	0	0	0	8
Banteay Meanchey	0	0	0	0	0	0
Kampong Cham	0	0	0	0	0	0
Kampong Chhnang	0	0	0	0	0	0
Kampong Speu	0	0	0	0	0	0
Mondul Kiri	0	0	0	0	0	0
Preah Vihear	0	0	0	0	0	0
Prey Veng	0	0	0	0	0	0
Ratanak Kiri	0	0	0	0	0	0
Stung Treng	0	0	0	0	0	0
Svay Rieng	0	0	0	0	0	0
Otdar Meanchey	0	0	0	0	0	0
Krong Kep	0	0	0	0	0	0
Krong Pailin	0	0	0	0	0	0
Total	309	156	36	12	5	518

Source: Cambodian National Tourism Development Plan 2001-2005:23

APPENDIX F: CULTURAL VENNER OF CAMBODIA

The cultural environment of Cambodia is exotic and colourful (Neth, 2000; Veng, 2000). Despite the damages of war, cultural attractions and historical heritages remain the main assets for developing tourism (Veng, 2000). This appendix serves to provide details about the cultural wealth of Cambodia.

Dances and Performing Arts

"Known for its intricate hand gestures, hypnotic movements, and elaborate costumes, robam kbech boran (classical dance) is Cambodian culture's most precious art form. For centuries Cambodia's royal dancers served to communicate between the king and the gods, a bridge between the natural and spiritual worlds." (Description by the Hong Kong Arts Festival 2002)

There are about 140 different types of traditional Khmer dances and dramas. Dances can be subcategorised into the "Classical" and "Traditional" dance. The classical dance of Cambodia generally refers to those designated for the Royal Family. The classical ballet has two main elements: the apsara dancing and the "tontay" dancing. Apsara means divinity in Khmer. Apsara dance mainly feature the "white apsara" as the leading role. The tontay dancing, on the other hand, is a depiction of early myths, especially those of the Ramayana, an ancient Indian epic. Both Apsara and Tontay dancing is a combined of traditional, folk and Hindi influences. The classical Khmer dance has once been very popular and has been a critical influence to the development of dances in the region including the traditional dances in Thailand.

Traditional dances, such as the peacock dance and the wedding dances, though not as formal as the classical dances, are of equal importance to the Khmer culture. As the downfall of the Angkorean Empire in the 15th Century, the Khmer classical dances became dormant. Traditional dance, however, never ceased. The classical dance started to regain its noises, attentions and thrive again in 1960s with the great success of Princess Norodom Buppha Devi's performance and the promotion efforts of Queen Kossomak. The Queen and Princess personally selected young girl from school as students, developed training program, rearranged dances and organized performance in order to revitalize the arts.

Being banished by the Khmer Rouge, these traditional arts faced the most severe threat of extinct. Very few dance teachers survived the Khmer Rouge era. In 1980, the reopening of the Royal University of Fine Arts marked a new phase. Official and structural training programs are offered to local students. Traditional dance once again gained its status in the modern Khmer community. Today, the training system, other than the program offered in the University, remains very much the same as those developed by the Queen. Children at their early age were selected to receive training at school outside the palace and the outstanding graduates will then promoted to training inside the palace.

In an early report, Proeung Chhiebg, a former member of the Royal Dancer and the Dean of the Choreographic Arts Faculty at the Royal University of Fine Arts in Phnom Penh, revealed several issues concerning the conservation of the Khmer dances. He contended that the salary for the Royal dancers is not good enough to attract students³³⁸. In order to promote this traditional art form and to make it financially viable, tours have been organized to foreign countries, such as France, Switzerland, Italy, the United States, and Hong Kong.

Today, classical dance is no longer a privilege of the Royal family and the gods but generally available to the public and tourists. Performances can be found in hotels and at Chatomuk Theatre. Dances remain one of the most import arts and culture of the Khmer people. Proeung Chhieng even claimed that dance is the national soul of Cambodia.

Capitalizing dances as a tourist attraction, however, has its concerns. Firstly, the traditional and classical dances have been influencing and being influenced by the other ethnic dances in the region. Khmer dances, therefore, find it difficult to stand out from a cluttered competitive environment. Many respondents³³⁹ proclaimed that they are very similar to those of the Thai dances. Secondly, the training system is relatively backward and outdated. Teaching material and resources are limited, and financing is scant. Thirdly, it is hard to recruit students and retain them as dancers after graduation. Many families are reluctant to send their children to dance classes. Fourthly, both the traditional and classical dances have an extensive amount of symbolical presentation and a mythological background, which is some times difficult for tourists to comprehend, let alone appreciate.

Other performing arts in Cambodia included masked drama, shadow puppets, classical Cambodian music, circus arts, and the “pinpeat” orchestra, which features traditional gongs, drums, xylophones, honed and string instruments. Details of these performing arts have not been included in this thesis owing to the fact that they are less popular and less accessible by tourists at the current setting. This, however, by no means imply that these cultural assets are less valuable than the ones being illustrated in this thesis.

Crafts

Crafts and artefacts are of great importance to the development of cultural tourism in Cambodia. They have good business potentials and are critical to tourists’ experience³⁴⁰. The importance of artefacts, crafts and giftware has been verified in the focus group interviews. The results also suggested that it is one of the areas that needed urgent and critical improvement. According to MoT, Cambodia has no shortage of traditional crafts. The fine work and the skill, however, were halted and seriously degraded under Pol Pot. He considered all form of arts as disgraceful and a symbol social marginalization. Activities related to arts, education and trading were prohibited. Artisans and arts elitist were either executed or exiled. The ancient traditions of weaving, sculpting and carving were threatened to extinction.

Today, revival is underway. Schools and community development organizations, such as Bassac Crafts Center, the Sobbhana Foundation, Lotus Pond, the School of Fine Arts Association, Tabitha, Wat Than Crafts, Khemara House, JSRC, the Women’s Association of Cambodia and Krousar Thney, have been promoting traditional crafts. Most of these organizations have dual missions: to revitalize the skill and craftsmanship and to assist the poor. Key handicrafts included pottery, silk, silverwares, carvings and sculptures.

One difficulty with Cambodian artefacts is their lack of identity. Close substitutions can be found in the nearby countries. For example, silk weavings, wood and stone carvings from Thailand, silverwares from Laos, silk and pottery from Vietnam and ruby from Myanmar. There are, in fact, more Angkorean style sand stone sculptures that can be found in Bangkok than in Phnom Penh. To take silk weaving as another example, raw silk thread and chemical dyes are being imported from China and Vietnam. Silversmith work is another of the featured attributes. Craftsmanship, after reached its peak in the 11th century, remains virtually the same. Products, such as boxes and baskets, despite the price incentive, have limited attractiveness.

The fine differentiations between Khmer and Thai crafts are often hardly distinguishable by tourist. According to the focus groups’ responses, the major difference that they have noticed is the inferior quality of the Cambodian product. That means Cambodian handicrafts are lacking in competitive merits. The two exceptions, which received more favourable comments, are the reproductions of statues produced at the National Museum and the palm sugar offered by peasant at the roadside stalls. Their scale, however, has been very low and the economic contribution was small.

Another problem is the conservation of techniques and skills. Recruiting student and retaining craftsmen in the industry is difficult. One of the masters of silk weaving is Sa Em, now in his 60s, who is a very well known elite in Cambodia. His particular form of art is known as Kha Bang Neang Sok Kra Ob, which has a strong influence from the ancient Angkor.

According to a recent interview report on the Khmer.net, he can finish a piece of sarong length woven in 10 to 14 days and the market price would be something like US\$120. However, for a regular 3.3-meter long sarong selling in the central market, the price can be as low as US\$ 5 to 6. The situation in Phnom Penh was worsened by the international access to Siem Reap, which cut off retail businesses. An interview with a local shopkeeper in the Central Market in Phnom Penh (2000) revealed that business has retrenched by more than 65% since then. Counting on silk weaving to earn a living in the city is difficult. Therefore, silk weaving, in most of the cases was only regarded as a supplementary source of income for peasants in the rural area.

International aid and assistance have been allotted to help the conservation of the techniques and to re-establish its economic position. For example, Sa Em has been working on a training program organized by UNESCO. The Sobbhana Foundation³⁴¹ also established training centres to revive the traditional arts of weaving and embroidery. Khemara, another local Khmer initiative, has established a training camp in Mittapheap Village, north of Phnom Penh. The camp offers training, food and shelter, and a small allowance for the women who attend the program. Graduates will be offered a loan to buy looms and other equipments to start their own business. Yet, if the demand is not there, these graduates can hardly sustain their living counting on silk weaving.

Table F1: Various type of traditional silk product of Cambodia

Charabap	Silk web with silver and gold embroidered strands.
Analouh	With bold vertical stripes.
Hol	Tradition patterned scarf.
Krama	The most commonly used as scarves and headwear.
Sarong	Wrapped around the waist and wear as skirt.
Sampot	Khmer skirt worn by women for various occasions.
Pamung	Scarf in solid colour, sometimes decorated with a pattern at the hemline.
Kaniev	A shimmery silk made by intertwining two colours. Often worn by elder women.
Anlounh	Has vertical stripes and is often worn to wedding parties and other celebrations.

Sources: www.Cambodia-web.net; www.law-kh.com; www.khmer.net

Table F2: Different scarf colours for different day of the week.

Monday	Dark yellow	Friday	Dark blue
Tuesday	Purple	Saturday	Dark violet
Wednesday	A blend of green & copper	Sunday	Red
Thursday	Light green		

Sources: www.Cambodia-web.net; www.law-kh.com; www.khmer.net

338 His first pay was only 25 riels. Even today the income of a dancer is far from attractive.

339 Focus group C and D.

340 For example, Prince Edward Island's crafts and giftware industry contributed \$33 million to the P.E.I. economy annually. To help local crafts people make money with their products, the Tourism Industry Association of Prince Edward Island (TIAPEI), presents a one-day session each month, covering topics such as trends, new product design and taking product to market. The program runs from January to June 2002, and is funded by a partnership between federal and provincial governments and the TIAPEI. The Guardian (Charlottetown), 3 January 2002, p. C1

341 The Sobbhana Foundation is founded by Princess Norodom Mari Ranafiddh in 1983 and named after the royal Aunt Samdech Rasmi Sobbhana who dedicated her life to social action. The foundation originally was for providing shelter for war prphans in refugee camps on the Thai border. It extended its services to operate three training centers in Phnom Penh for providing training on traditional crafts, such as silk weaving, embroidery, sewing basket making, and woodcarving.

APPENDIX G: MAJOR ARCHIVES

Author / editor	Organization	Title	Details	remarks
Utting, Peter	UNRISD (Geneva, 1994)	Between Hope and Insecurity: The Social Consequences of the Cambodian Peace Process	An UNRISD Monograph Follows the workshop in Geneva, 1994, a monograph on the impact on the Cambodian economy and society of the UNTAC in 1992, alternative strategies for reconstructing a war-torn economy and civil society, key social problems that require urgent attention, and research priorities.	Download from UNRISD
Jamieson, Walter	MoT	Cambodian National Tourism Development Plan: 2001-2005	A Strategic Tourism and Tourism Development Plan proposed by a group consultants led by Professor Walter Jamieson.	Obtained from Professor Jamieson

Electronic Archives and sites

Title	Address	Details	Remarks
US Embassy in Phnom Penh	www.usembassy.state.gov/Cambodia		General
Ambassade de France-Phnom Penh	www.dree.org/cambodge		
Japan Embassy in Phnom Penh	www.bigpond.com.kh/users/eojc/indexe.htm		
Royal Cambodian Embassy to Australia and New Zealand	www.embassyofcambodia.org.nz		Cambodia Embassy in foreign country
Permanent Mission of the Kingdom of Cambodia to the United Nations	www.un.int/cambodia		Cambodia Embassy in foreign country
Phnom Penh Post	www.newspaper.com.hk/phnompenhpost		News
Phnom Penh Daily	www.phnompenhdaily.com		News

Radio Free Asia	www.rfa.org		News
Documentation Center of Cambodia	www.bigpond.com.kh/users/dccam.genocide		News
Cambodia Search (Bigpond)	http://www2.bigpond.com.kh/cgi-bin/hotlinks/search.cgi		Social information
Cambodia Adoption Information	www.cambodiaadopt.11net.com/		Social information
Asia Observer	www.asiaobserver.com		News
Voice of Cambodia Radio Int'l	www.vocri.org		News
Cambodia National Archives	www.camnet.com.hk/archives.cambodia	The National Archives of Cambodia (NAC) is a department of the Council of Ministers. The NAC is responsible for preserving documents, created by the Government of Cambodia, which possess enduring legal and historic value. These include records of the French colonial administration (1863-1954) and post-independence Cambodian Governments. It manages 1800 linear meters of documents, covering every field of government administration. It is a public institution that works towards making the documents accessible to the current Cambodian administration, organizations and individual researchers	
Asian Dragon News	www.news.asiadrasons.com/world/cambodia/		News
Cambodian Institution for Cooperation and Peace	www.cicp.org.kh		News
Phnom Penh City Municipal	www.phnompenh.gov.kh		Community
Cambodia-web	www.cambodia-web.net		Community
UYCAF	www.uycaf.org		Community
The Nginn Karet Foundation for Cambodia	www.nkfc.org		Community
MediCam	www.bigpond.com.kh/users/medicam		Community

Cambodian People's Party	www.cambodianpeopleparty.org		Community
Sam Rainsy Party	www.kreative.net/knp		Community
FUNCINPEC	www.funcinpec.org		Political party
Angkor War.org	www.angkorwat.org		Community
NGO Forum	www.camnet.com.kh/ngoforum		Community
Cambodian Mine Action Center	www.camnet.com.kh/cmac		Community
Friends without a border	www.friendswithoutaborder.org		Community
CDRI	www.cdri.org.kh	Lost contact from January ~ October 2002	Community
Robib Village	www.villageleap.com		Community
Dance the Spirit of Cambodia	www.asiasource.org/cambodia/		Community
ASEAN	www.aseansec.org		NGO / IGO / IO
UN	www.un.org		NGO / IGO / IO
IMF	www.imf.org		NGO / IGO / IO
WB	www.worldbank.org	Cambodia at a glance; Country Brief: Cambodia;	NGO / IGO / IO
Mekong River Commission	www.mekonginfo.org		NGO / IGO / IO
Adopt-A-Minefield	www.landmines.org		NGO / IGO / IO
Mekonginfo	www.mekonginfo.org	This is the monthly e-mail update for MekongInfo - the Web-based system for haring information about natural resource management (especially forestry) in Cambodia, Thailand, Laos and Vietnam.	

APPENDIX H: RESEARCH DAIRY

Date	Particulars	Notes
Jun 9 ~ 14, 1999	Site visit to Phnom Penh and Siem Reap, Cambodia	
Dec 7 ~ 12, 1999	2 nd site visit to Cambodia	<ul style="list-style-type: none"> ➤ UNESCO organized a seminar to government authorities in Cambodia. ➤ A focus group discussion was organized with the participation of UNESCO, TAT members and experts from the industry. ➤ A site visit to the Red Light districts and brothel house was conducted.
Dec 9 ~ 14, 2000	3 rd site visit to Cambodia	<ul style="list-style-type: none"> <input type="checkbox"/> Interview hotel staff of Sunway Hotel in Phnom Penh <input type="checkbox"/> WTO <input type="checkbox"/> Interview hotel staff of Sovotel in Siem Reap <input type="checkbox"/> Interview Laurence Gray of World Vision
May, 2001	Oxfam HK Ms Tsai Yuk Yuk	<input type="checkbox"/> Child prostitutes
June 30, 2001	Interview Ms Srey Spaspanha, representative of Oxfam Cambodia and WOMYN's Agenda and Change	<input type="checkbox"/> Regarding prostitutes and sex tourism in Cambodia
July 5, 2001	Interviewed Oxfam HK. Ms So Yuk Yan - education	
July 5, 2001	Interview Professor Malcolm Falkus	Regarding the Labour Law in Cambodia and the related project by the World Bank
July 26, 2001	Interview Oxfam HK. Ms Choi Yuk Yuk – child exploitation and sex tourism	

APPENDIX I: INTEGRATION MARKETING COMMUNICATION PROGRAM

Positioning

Tourism is the creation of illusions that are packaged as the new reality. Positioning is the creation of that psychological landscape for consumption. “The construction of tourist landscapes in peripheral regions and areas where indigenous peoples live, has focused on the fact that this commodification process involves the elaborate creation of fantasy” (Milne et al in Ringer 1998). An unreal world is created to meet the tourist’s need to partake in “imaginative hedonism” and to generate the pleasure of getting away from everyday routine into the extraordinary³⁴². Tourist advertisements thus create an image for the destination, tourism planners design the atmosphere for consumption, tour operators and planners selectively decide the fragments of life to be seen by the tourist, dictate the food that they taste, souvenirs that they bring home and the memories that they retain and share among their friends and relatives. All this reproduction, presentation and consumption of the host community are nothing more than a partial reality.

There are three major procedures for any effective positioning: the market analysis, the internal analysis and the competitive analysis. The positioning services require the development and communication of key attributes (Alford, 1998), which has to out-perform competitors’ so as to sustain a competitive edge. At the same time, a destination has to match with the needs and wants of the customers, i.e. potential groups of travellers and tourists, in order to be successful.

Alford in his work tried to incorporate the positioning of a destination into a practice mode of a private enterprise. He emphasizes the challenges of applying positioning tactics for destination marketing at the macro-level, which include the high level of risk associated with travel decision, the service nature of travel product and the multitude and diversity of tourism product suppliers of destination that make quality control and cohesion extremely difficult. It is debatable whether a unified image is desirable for a destination. For a small, newly emerging destination such as Cambodia, however, a unified position can avoid ambiguity and confusion.

The Cambodian MoT, therefore, should reengineer its position and image formation through a systemic approach, such as the one proposed by Alford (see Figure 8.9). It is important for MoT to realize that the image of the destination should not be allowed to evolve naturally but to be constructed strategically through a systematic positioning mechanism. In line with the product development recommendations, cultural heritages and monuments should be featured as unique selling propositions. In a later stage, it can extend to incorporate natural attractions to broaden up the position tactics. Given the negative image the country embraced, it is advisable to use physical evidences to feature the offerings.

Mass Communication

In terms of media strategy, travel brochures and literature are generally perceived as the most important tools for communication. There are at least three reasons why informational materials are so important: First, travel is perceived as risky owing to the unfamiliarity to the alien destination; second, the discretionary dollar and holiday involved; and third, decision makers have to rely heavily on secondary and tertiary information rather than trails and direct observations (Wicks and Schuett 1991, quoted in Alford 1998). Alford (1998) revealed that most brochures are designed to facilitate travellers after their destination decision has been made. In other words, it rarely serves as stimulus to create awareness of and demand for a destination.

Important attributes of travel related information

1. User friendliness
2. Visual attractiveness
3. Graphical illustration and pictorial elements
4. Quantity
5. Relevancy
6. Cost
7. Accessibility
8. Update information
9. Level of commercial interest
10. Credibility
11. Linguistic quality
12. Time and efforts

In order to rectify this common problem, informational materials must go out and reach the potential customers and assist their decisions. They must be available to the prospects before they have chosen their next destination. Tools such as Internet, direct mail, TV documentary, interactive / electronic brochure, therefore, are recommended.

Furthermore, non-commercial, indirect manner of communications is also highly recommended. For example, rather than advertising the cultural attractions, demonstrate them through art performances, exhibition, cultural fairs and events.

Familiarization tours, a traditional trade promotion, could be utilized as an effective means to promote a destination to the end-users and make use of their experience to spin-off word-of-mouth. The trade can assist in selecting appropriate innovators and opinion-leaders as targets.

Mass publicity, such as advertising, can generate attention of the target audience. The communication effectiveness is relatively low and the wastage is high, especially for new destinations. TV documentaries, magazine and newspaper articles or columns should be capitalized to rectify the gap.

Given the resources limitation, it is difficult for the RGC to do much mass communication. The recommendation, therefore, is to concentrate on low cost media, and relationship marketing with the trade for soliciting their support and resources. MoT should establish a tactical committee to look after all these communication strategies and programmes.

Content strategy

A review of the promotional material, both from the government and private sectors, reveal heavy emphasis given to Angkor Wat. Seldom, however, did these materials give a broader view and background of the monuments. Without fitting the monuments into its historical and anthropological context, they can just be another bunch of ruins. More communication assets should, therefore, be identified for promotion campaigns. War, crime and poverty, on the other hand, should be down played. War sites, therefore, should feature less prominently on materials.

Establishment of a central pool of resources, including visuals, logos, presentation styles, literature and relevant information is recommended. This pool of resources provides the convenience and support to the industry and can serve as a means to ensure the quality and accuracy of messages.

Local en route communication

Tourists also consume information en route. Tourist guides, as the major disseminators of information, have to ensure the accuracy and correct understanding of information, to enhance the appreciation of the attractions and the tourist's satisfaction, and to ensure the protection of natural and cultural assets. Bali's practice of positioning tourist guides as cultural "emissaries" and "brokers" set up a good reference (Cukier in Ringer 1998). They directly affect tourists' level of satisfaction. The Cambodian tour guides' performance, however, is more difficult to control. There are formal and informal practitioners. Even the formal tour guides received little technical support. Vocational

training by the RGC was not available and the general education system was backward, ineffective and seriously corrupted. There is no guarantee on service quality. Although FDI provide on-the-job or occupational training, they were temporary substitutes. A formal education program is crucial and education reform is necessary.

If tourism work can be perceived as personally satisfying, promising higher income and social status, the development of tourism will be 'positively affected' (Cukier in Ringer 1998). A tourism employment council, therefore, could be established to promote the status of tourism works, to solicit training for workers and to ensure the benefits to the communities.

Tourism training should not be limited to the tourist guides and front line staff but should be extended to the supporting sectors such as museum management, local artists, and government agents. The training should empower recipients with the appropriate mentality and skills to capitalize tourism for common good and to ease their concerns about this emerging industry.

MoT should establish tourist centres to render information and services to tourists. These centres can enhance tourists' sense of security, interest and satisfaction, and to accumulate critical information via monitoring tourists' inquiry and activities.

Internal marketing

MoT, in soliciting local support and capital to the tourism industry, attract human resources and promote domestic tourism, should development internal marketing programmes. It is difficult under the current situation. Community lobbying, personal communication, communal training / information session are a few possible tactics.

APPENDIX I: TOURISM IMPACTS

Table I.1: Summary of Positive and Negative Impacts of Tourism

Negative	Positive
Natural environment	
<ul style="list-style-type: none"> • Modification of ecosystem • Urbanization, degradation of countryside • Sea pollution • Soil and coastal erosion (jetties, harbours and beaches) • Deforestation • Air pollution, litter • Excessive water consumption • Pollution of groundwater • Increased traffic congestion • Overcrowding • Increased noise pollution and litter • Loss of flora and fauna, deforestation • Higher chance of fire • Vandalism 	<ul style="list-style-type: none"> • Actions for environmental conservation, such as creation of national parks (in particular where natural beauties, rare animals, etc., are major attractions). • Initiatives to provide treatment and purification systems for wastes. • Preservation of the natural environment / does not cause ecological decline • Improvement of the area's appearance
Socio-cultural environment	
<ul style="list-style-type: none"> • Loss of identity and traditional culture • Rapid wealth-creation (in particular by selling properties) • Economic discrepancies between those active in tourism and the others • Subordination to external decision-makers and investors ('colonization') • Inflation of purchase price or rent of properties • Immigration of marginal strata with illegal, semi-legal or criminal activities • Increased prostitution and alcoholism • Increased smuggling • Heightened tension • Increasingly hectic community and personal life • Creation of phoney folk culture 	<ul style="list-style-type: none"> • Rise in the available income • Opportunities for work and business • Contact with other cultures • Preservation of historic buildings and monuments • Improvement in cultural and educational standards • Improves the quality of life and security • Increases availability of recreation facilities / opportunities • Improves understanding and image of different communities or cultures • Promotes cultural exchange • Facilitates meeting visitors (an educational experience) • Preserves cultural identity of host population • Increases demand for historical and cultural exhibits • Preserves cultural and historical heritages by providing funds • Provides additional sources of financing for cultural activities such as exhibition, shows and performances
Urban environment	
<ul style="list-style-type: none"> • Over-intensive urbanization • Uniformity / anonymity of areas of mass tourism • Overburdening the resort's capacities • Illegal building • Degradation of urban environment • Negative aesthetic changes 	<ul style="list-style-type: none"> • Provision of public and private services • Improvement of communication and transportation networks • Concern for urban appearance • Making the most of local architecture, features, identities

• Noise and air pollution	• Rehabilitation of decayed buildings and deteriorated urban areas
Political impacts	
<ul style="list-style-type: none"> • Enhanced competition and tensions in the regional setting. • Conflicts of interests between communities, political parties and elites enhanced the tension between them • Bilateral conflicts induced by ownership of artefacts and monuments • Conflicts induced by development of transportation 	<ul style="list-style-type: none"> • Promoted understanding and regional peace • Enhanced Political Intelligence • Induced international aid and assistance • Promoted regional cooperation
Economic impacts	
<ul style="list-style-type: none"> • Increased price and shortage of goods and services supply • Increased price of land and housing • Increased cost of living/property • Import inflation • Suppressed other forms of economic activities • Leakage in form of foreign exchange 	<ul style="list-style-type: none"> • Contributes to income and standard of living • Improves the local economy • Increases employment opportunities • Improves investment, development, and infrastructure spending in the economy • Improves tax revenues • Improves public utilities infrastructure • Improves transport infrastructure • Increases opportunities for shopping

Source: ECONSTAT 1993, European Union, Brussels as quoted by Baud-Bovy and Lawson (1998); Archer & Fletcher (1996); Belisle & Hoy (1980); Brougham & Butler (1981); Bystrzanowski (1989); Caneday & Zeiger (1991); Dyer, Aberdeen & Schuler (2003); Husbands (1989); Huse, Gustavsen & Almedal (1998); Kavallinis & Pizam (1994); Liu, Sheldon, & Var (1987); Liu & Var (1986); Milman & Pizam (1988); Perdue, Long, & Allen (1990); Pizam (1978); Ross (1992); Rothman (1978); Sethna & Richmond (1978); Sheldon, & Var (1984); Sheldon, & Var (1987); Thomason, Crompton & Kamp (1979); Tyrrell & Spaulding (1984); van der Duim & Caalders (2002); Var, Kendall, & Tarakcioglu (1985)

Table I.2: Related works on social impacts of tourism development

Issue/Impact	Writer(s)
Tourism modifies the internal structure of the community, dividing it into those who have/have not a relationship with tourism/tourists.	Mathieson and Wall (1982)
Tourism has colonialist characteristics robbing local populations of autonomous decision-making.	Krippendorf (1987)
Lower/moderate level of tourism development are more likely to be beneficial.	Allen et al (1998)
Employment in tourism demands flexible working patterns which is eroding gender segregation.	Crompton and Sanderson (1990)
There are more opportunities for women in tourism, which provides many with greater degree of economic independence.	Urry (1991)
Preference for investment in profit centres (e.g. swimming pools) rather than cost centres (e.g. sewage systems).	McKercher (1993)
Employment opportunities and the presence of visitors lure younger people to areas of tourism development. Conversion in	Sharpley (1994)

retail sector to souvenir outlets. Tourism improves quality of life through improvements to infrastructure.	
<p>Tourism provides socio-economic benefits at one extreme, dependency & reinforcement of social discrepancies at the other extreme.</p> <p>Biggest problem is congestion/overcrowding.</p> <p>Pressure for change is politically intracultural initiated by entrepreneurs or politicians in response to community pressure.</p>	Burns and Holden (1995)

Source: Brunt and Courtney 1999

Table I.3: Related works on social impacts of tourist-host interaction

Issue/Impact	Writer(s)
Irridex model: worsening cumulative effect of hosting attitudes toward tourists.	Doxey (1975)
Nature of contact with tourists can influence attitudes/behaviour/values towards tourism.	De Kadt (1979)
<p>Tourism is a source of revenue for the church</p> <p>Perceived safety and security maybe affected</p>	Mathieson and Wall (1982)
Tourism is a potential determinant of crime.	Pizam et al (1982)
<p>The young locals are most susceptible to the demonstration effect caused by tourism</p> <p>Languages are learnt through the demonstration effect</p>	Murphy (1985)
Real understanding/communication is seldom produced by tourist-host interaction	Krippendorf (1987)
Erosion of the local language/dialect	Ryan (1991)
There is always likely to be a certain degree of conflict due to incompatible demands of tourists and hosts	McKercher (1993)
<p>Tourism instigates social interaction within host community</p> <p>Tourism contributes to the preservation of religions and historic buildings</p> <p>Hosts adopt foreign languages through necessity</p> <p>Hosts develop stereotypical attitudes towards tourists</p> <p>Commoditization of religion and resulting conflict</p>	Sharpley (1994)
Hosts develop coping behaviours and avoid contact with tourists wherever possible	Burns and Holden (1995)
<p>Mixing socially is the most favourable situation</p> <p>Resentment is generated by the economic gaps arising between the host and tourist</p> <p>Local resentment is generated by inflated prices</p>	McIntosh et al (1995)

Source: Brunt and Courtney 1999

Table I.4: Related works on cultural impacts of tourism

Issue/Impact	Writer(s)
Hotel accommodation is a greater socio-cultural threat	White (1974)
Arts, crafts and local culture can be revitalized	De Kadt (1979)
Hosts behaviour can be transformed temporarily	Collins (1978)
Attitude changes are an indication of acculturation	Murphy (1985)
There are assumed negative impacts of commoditization	Cohen (1988)
Acculturation process of the two cultures taking on aspects of each other likely to occur	Nunez (1989)
Tourism destroys the traditional British culture	Browne and Nolan (1993)
True culture adapts over time to the needs of tourism Meaning/authenticity are not necessarily lost Acculturation is linked to the nature of the encounters	Sharpley (1994)
Culture is seen as a commercial resource	Burns and Holden (1995)

Source: Brunt and Courtney 1999

APPENDIX J: POLITICAL ENVIRONMENT OF CAMBODIA

UNTAC

UNTAC was in response to the Paris Peace Agreement (23rd October 1991) on a Comprehensive Political Settlement of the Cambodia Conflict. Its mission is to oversee a peace process and to promote post-conflict rehabilitation and reconstruction. Under the agreements, UNTAC, in collaboration with other agencies of the UN, was supposed to carry out specific functions including overseeing the process of demilitarisation and cease-fire verification; maintaining law and order; guaranteeing a neutral political environment by controlling the activities of numerous public agencies and offices; organizing elections; repatriating the 370,000 refugees in 13 months; fostering an environment conducive to the respect of human rights; overseeing the country's rehabilitation and reconstruction by identifying needs, mobilizing foreign aid, co-ordinating donor assistance and monitoring the rehabilitation process; and mounting major civic education campaigns in such areas as human rights, landmine awareness and electoral affairs. The operation lasted for twenty-one months, cost over US\$21 billion and involved more than 20,000 peacekeeping, security and civilian personnel³⁴³. Although the UN has labelled UNTAC as "a success", the achievements were accompanied by various serious shortcomings (UNRISD, 1994).

"The almost total failure of the expensive UNTAC operation in Cambodia in the early 1990's, has left different kind of viruses that cause not only the world organization much political pain, but also cause Cambodia a great danger."³⁴⁴

UNTAC successfully ended Cambodia's international isolation, and repatriated the refugees from Thailand and Vietnam. It also facilitated the general election in May 1993 in view of bringing about a peaceful and democratic transition to the country. Although it ends with a coup d'état in 1997³⁴⁵, the election is generally complimented as fair and successful. Under uncertainty, insecurity and threats from Khmer Rouge, it took place with almost 90% of the electorate participating. Santhor (2000), however, has a different view of the election. He argues that authoritarianism, implying Hun Sen, has manipulated the election.

There was serious criticism against UNTAC's inability to secure peace and their "soft" attitude towards the Khmer Rouge. The disastrous experience in Somalia seems to have prevented UNTAC from directly engaging with the Khmer Rouge. UNTAC was also blamed for its failure in monitoring the withdrawal of Vietnamese troops, which led to the illegal residence of former armed forces in the country and a black-market of illegal weapons.

UNTAC was criticized for unable to respond to the socio-economic needs of the population. The original belief that UNTAC would stimulate trade, generate employment, training and investment, construction and repair of infrastructure has not been realized.

UNTAC's intervention has various impacts on tourism. The more than 20,000 personnel stimulated short-term economic growth and induced the development of tourism infrastructure. This stable but short-term source of business attracted foreign and local investment into the tourism sector. As observed by Utting (UNRISD, 1994), "the UNTAC's presence led to the rapid growth of urban service sector activities, which included shops, hotels, restaurants, nightclubs, massage parlours and brothels." For example, Hotel Cambodianna, now renamed Sofitel, in Phnom Penh was built for the UNTAC personnel.

It was expected that the UNTAC personnel would trigger the growth of tourism by word-of-mouth. The insecure perceptions, the threat of mines, bandits and internal

confrontations, however, have inhibited the tourism business.

There are various reasons why UNTAC failed to promote domestic development. One of which is the extreme difficulty in addressing the pressing economic and social needs without favouring any one faction of the government and maintaining its neutral position.

Local resources for rehabilitation and domestic economic institutes are scant. Although there has been a substantial volume of foreign assistance and aid, most of them are bridled by the donor's objectives and preferences rather than the country's actual needs. UNTAC also experienced difficulties in directing and coordinating the resources, aid and donations for meaningful outcomes. Some of the aid was never disbursed during the transition period. The tension and competitions among donors, agencies and donor countries further complicated the issue (Li, 2000³⁴⁶; Gray, 2000³⁴⁷; and Kiyotaka, 2000³⁴⁸).

Another obstacle was the Khmer Rouge. Although its foundation was shaken by the death of Pol Pot and the defection of major cadres, its influence and threat to the civil system and peace progress cannot be underestimated. The Khmer Rouge still maintains strongholds in rural provinces and remains a potential threat. Its high profile boycotting of the peace process is a clear demonstration of its political power. The transition period, thus, is characterized by multiple economic and social problems (UNRISD 1994).

The Mekong Committee

"The Mekong Committee has been unique in that it represented the outcome of the first United Nations; direct involvement in a continuing programme to plan and develop an international river basin on a scale not hitherto attempted anywhere else in the world." Pachoom Chomchai, former assistant executive agent of the Mekong Committee (cited in Nguyen, 1999:200).

On 30th July 1947, the first Mekong Consultative Committee was formed and subsequently the Second Mekong Committee was established as a result of the Paris Convention of 29th December 1954. As the forerunning multilateral initiatives in the region, its main goal is "to aid the member nations to attain through the development of the potential of the lower Mekong basin, self-sufficiency of food production, increased energy output resulting from hydro-power schemes in support of agriculture and industry, and the improvement of navigation as well as the transport system in the region, to be realized through the framework provided by its Indicative Basin Plan." (Nguyen, 1999:203).

The Second Mekong Committee aimed to ensure economic development of region but had only consultative competence. The prioritisation of private interest over the common interest, the disagreement on various issues and the exclusion of Thailand, as one of the riparian countries, seriously affected the usefulness of the Committee (Nguyen, 1999:35). In September 1957, the "Statute of the Committee for the Coordination of Investigations of the Lower Mekong Basin" was adopted with membership of Cambodia, Laos, Thailand and R.V.N. The Committee consisted of the General Assembly³⁴⁹ and two subsidiary organizations: the Executive Agent Bureau and the Advisory Board.

From 1957 to 1975, the committee met sixty-nine times in full plenary sessions despite war and political unrest (Nguyen, 1999:201). The rise of communists in three member countries and the war between Vietnam and Cambodia brought a long hiatus in the committee's agenda. Cambodia, under Khmer Rouge, withdrew from the committee in April 1977. On 5th January 1978, the Interim Committee for Co-ordination of Investigation of the Lower Mekong Basin (Interim Mekong Committee) was established in the absence of Cambodia in view of the continuous functioning of the committee. The funding of the committee primarily comes from donors, including foreign countries and UNs. For example, a total of US\$337.7 million was given to the committee in 1978. 76%

of which was in grants.

In 1994, the Mekong Secretariat's *Mekong Mainstream Run-of-River Hydropower: Main Report* marked a new era of the committee, which lay stress on dam building and hydropower generation. In June 1991, the Cambodia's Supreme National Council (SNC) requested formally for Cambodia's re-entry to the committee as a member. It took more than two years of bargaining to reach a final agreement entitled "Co-operation in the Sustainable Development of the Mekong River," signed in Hanoi on 28th November 1994. The formal Mekong River Commission (MRC) was then convened on 5th April 1995 in Chiang Rai. The new MRC replaced the Mekong Committee and has since invited China and Myanmar on the upstream to attend as observers. Article 2 of the new agreement called for a new Basin Development Plan (BDP). Yet, very little has been realized.

The new agreement rather than enhancing the coordination and cooperation, actually gave individual members more autonomy to carry out whatever plan they intended to pursue. The private interests of individual countries, therefore, came before the welfare of the region as a whole. For example, most of the dam projects in the upper stream have been constructed despite the negative, if not destructive, impacts to the downstream countries: Cambodia and Vietnam. Long Somol, Cambodian Vice-Premier in charge of economics, has protested the perilous impacts of mainstream dams on fish spawning and rice harvests³⁵⁰ on Tonle Sap because of the changed cycles of the river (Nguyen, 1999:207). The reduction of water supply seriously affects the irrigation for rice fields; and despite the provision of fish ladders, dams blocked the fishes from going upstream for spawning.

The Mekong Committee and the Greater Mekong Subregion Project (GMS) are critical to the development and tourism of Cambodia. Although there is no specific agreement on tourism, their impacts on the natural, social and economic arena have different levels and forms of impacts on tourism. For example, the normalization of relationships between member has eased the tension in the region and promoted tourist arrivals; the dam projects have negative impacts on the environment and the attractiveness of some destinations; the intra-regional labour movement and the flow of commodities under multilateral agreements are also affecting the developing of tourism. Cambodia's tourism and trade development is still in its infant stage. Being one of the most fragile country, both politically and economically, and the smallest country in the region, its development is seriously influenced and bounded by the bilateral and multilateral context. One of the rectification strategies that Cambodia utilized is its proactive pursuit to be a member of international associations. In the next section, the discussion will focus on Cambodia and ASEAN.

"Cambodia is one of the countries involved in the Greater Mekong Subregion Project... Bounded by a common river and the desire to showcase its tourism 'jewels', the six countries seek to promote the Greater Mekong Sub-region as a tourist destination." WTO homepage

In 1997, an Agency for Coordinating Mekong Tourism Activities (AMTA) was proposed by the Tourism Authority of Thailand (TAT) to act as a secretariat in charge of the Greater Mekong Subregion Project. A web page is maintained and tourist information has been disseminated but no critical initiative has been reported so far.

ASEAN

"Today, ASEAN is not only a well-functioning, indispensable reality in the region. It is a real force to be reckoned with far beyond the region. It is also a trusted partner of the United Nations in the field of development..." Kofi Annan, Secretary-General of the United Nations on 16 February 2000³⁵¹.

The Association of Southeast Asian Nations (ASEAN) was founded on 8th August 1967

with the vision of a united Southeast Asia, the ASEAN-10 (Chhon and Moniroth, 1999:11). The vision was interrupted by the Cold War, which separated the four nations on the Mekong basin, including Vietnam, Cambodia, Laos and Myanmar, from the rest.

Figure J.1: The ASEAN Declaration

The Association represents the collective will of the nations of Southeast Asia to bind themselves together in friendship and cooperation and, through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom, and prosperity. (The ASEAN Declaration, Bangkok, 8 August 1967)

Source: ASEAN homepage

The objectives of ASEAN included: 1) to accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations, and 2) to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter. As at 1995, the ASEAN Heads of States and Government re-affirmed, “Cooperative peace and shared prosperity shall be the fundamental goals of ASEAN.”

Upon Vietnam becoming a member in July 1995; ASEAN launched the Mekong Basin Development Cooperation, which was spearheaded by Malaysia and Singapore, invited China, Japan and South Korea to join in the development of the Mekong River basin (Nguyen, 1999:220). The Cooperation was promulgated on 17th June 1996, which incorporated all the ASEAN member nations and Cambodia, China, Laos and Myanmar.

ASEAN is mainly designed to promote economic growth and development among its member nations. It too has a political agenda. For example, the Spratly Islands issue³⁵² is a critical agenda item. The “ASEAN way” that emphasizes personal diplomacy, discussion, consultation, consensus and unanimity was criticized for lacking effectiveness in regional issues such as environmental preservation and remedy (Elliott, 1999). The Mekong Basin Development Cooperation, according to Nguyen (1999:221), was designed to absorb China into ASEAN so as to prevent possible confrontations. With Cambodia becoming a full-member of ASEAN, it partially accomplished its objective of uniting the S. E. Asian region psychologically. Today, ASEAN’s region covers a total area of 4.5 million square kilometres with a population of about 500 million, a combined gross domestic product of US\$737 billion, and a total trade of US\$ 720 billion. The vast gaps among members in their various stages of development and resources endowment, however, have clouded the initiation for consolidating ASEAN into a single economic unity.

Joining ASEAN is one of Cambodia’s highest priorities (Chhon and Moniroth, 1999:11). RGC expected that the regional integration instituted by ASEAN could generate “positive externalities’ that is critical for stimulating economic development in the country. Chhon and Moniroth (1999:11), however, argued that the ASEAN membership also brings along new challenges for Cambodia. Therefore, the country has to be well prepared for its merging into the ASEAN family. Otherwise, the costs might well-exceed the benefits.

Table J.1: The Members of ASEAN

Member state	Date of incorporation	Membership
Cambodia	April 1999	Ordinary member
China	TBD	Observer
Indonesia	1967	Founding member
Laos	1997	Ordinary member
Malaysia	1967	Founding member
Myanmar	1997	Ordinary member
The Philippines	1967	Founding member
Singapore	1967	Founding member
Thailand	1967	Founding member
Vietnam	July 1995	Ordinary member

Although ASEAN is designated as an economic collaboration, its influence extends into the political and social domains. Tourism is an important item on its agenda. ASEAN’s involvement includes direct participation in tourism projects, regulations by agreement among members, and allotment of assistance, technical and financial.

Another major ‘achievement’ of ASEAN is the establishment of the ASEAN Free Trade Area (AFTA). ASEAN views the Mekong region as a potential market for development (Nguyen, 1999:221). Developing a free trade zone led by the market with minimal intrusion of state government would lead to long-term economic prosperity. The free zone for Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand will be inaugurated in February 2002. Cambodia, Laos, Myanmar and Vietnam will have to accede between 2006 and 2010. The next target is to incorporate China into the system and forming an East Asian bloc. While the free trade area’s contributions to individual members are unknown, members are more than anxious to materialize the idea.

ASEAN and ADB also implemented a series of programmes to “model” the development path of individual countries under the influences of globalization, free trade and market economy. The accordance with these new “commanding heights” is an entry ticket into the regional family despite it does not guarantee development and prosperity.

Asian Development Bank (ADB), World Bank (WB), UNDP and International Monetary Fund (IMF)

Nguyen (1999:221) argued that international organizations including UNDP, WB, IMF and ADB, created links to connect the stakeholders of the Mekong circles. ADB, for example, initiated various programmes, such as The Greater Mekong Subregion (GMS), which attempts to bring China-Yunnan, Myanmar, Laos, Cambodia, Thailand and Vietnam together to form a common market. GMS covers an area of approximate 2.3 million square kilometres and population of more than 220 million. ADB identified 77 development projects in various sectors including transportation, energy, trade and investment (Nguyen, 1999:221). Some of these projects are large multilateral infrastructure developments, which included trans-nation road and rail systems. Nguyen (1999:223) roughly estimated that the total cost for road construction will be somewhere around US\$1.5 billion.

ADB’s operations in Cambodia mainly focus on stimulating economic growth and poverty reduction. Their priority rest on three areas: first, broad-based rural development

including water resources management, wetland protection and agriculture reform; second, human and social development including education and health programmes; and third, bolster private sector development in transportation and communication sectors.

Since 1966³⁵³, 21 loans were extended to Cambodia (see Table J.2 & J.3) and 17 of which are still active by the end of 2001. The accumulated total reached in excess of US\$ 560.5 million as of December 31, 2000. Accumulative ADB contracts to Cambodia, as of 31st December 2001, were valued at US\$ 121.82 million. For 2002, the approved loans amounted US\$100.91 million, which equals to more than 31 times of the 2001 GDP.

Table J.2: ADB loans to Cambodia, 1996 - 2001

Sector	Loan (number)	Loan amt (US\$ million)	%
Transportation & communications	3	123.0	21.9
Multi-sector	2	122.7	21.9
Social infrastructure	7	138.0	24.6
Agriculture & natural resources	5	118.3	21.1
Energy	3	48.5	8.7
Total	21	560.5	100.0

Source: ADB’s Cambodia Fact Sheet³⁵⁴

Table J.3: ADB Cofinancing and Export Credits to Cambodia from 1st January 1997 to 31st December 2001

Project	ADB loan amt (US\$ million)	Cofinancing Amt (US\$ million)	Type of cofinancing
Emergency Flood Rehabilitation	55.0	2.00	Official cofinancing
Provincial Power Supply	18.6	2.50	Official cofinancing
Stung Chinit Irrigation & Rural	16.0	2.60	Official cofinancing
Emergency Roads Flood Rehabilitation	55.0	2.00	Official cofinancing
Infrastructure Primary Roads Restorations	68.0	6.86	Official cofinancing
Official loans	6 loans projects, cofinancing of US\$24.46 millions		
Technical Assistance	3TA projects, cofinancing of US\$1.71 millions		

Note: ADB arranges cofinancing from official, commercial and export credit sources as additional resources for project financing.

Source: ADB’s Cambodia Fact Sheet³⁵⁵

Other than providing financing for various development projects, ADB also assumed roles as planner, technical advisor, trainer, coordinator and organizer, and directly intervenes in government's planning and policy formulations. Nguyen (1999:223) pleaded that ADB actually supplants and replaces the Mekong Committee. It is premature and prejudicial to conclude whether ADB has been abusing its influences in modelling development in the region. Yet, many ADB initiatives have been criticized by the public, NGOs and even local government officials as being ineffective or bringing too many negative impacts. For example, the agricultural reform in Cambodia resulted in more than 15% of the peasants losing their land. Poverty was enhanced rather than rectified.

ADB's influences in Cambodia's development are immense. For example, the Royal Government's five-year Socio-Economic Development plan (1996-2000) and the rolling three-year Public Investment Programme (PIP) were prepared with the assistance from ADB. Moreover, ADB is one of the most critical sources of loans and assistance to the country. The development direction, the public investment and the sources of aid financing substantially comes from ADB. Among the enormous projects by ADB, there are three projects under RETA and one loan that are designated to the development of tourism: TA5807, TA5743, TA5647, and Loan 1503.

UNDP's major mission in Cambodia is to facilitate economic reform, government reform, economic development, infrastructure development, and to coordinate aid to the country (see Table J.4 and Appendix C). Its involvement in tourism development focused on developing local capacity and assisting the government to determine its roles, objectives and strategies. As a result, Cambodia stereotyped other UNDP projects when formulating its tourism policies. The systematic approach to tourism has the advantage that it provides a model or a path for the relatively amateurish new government to follow. However, in practice, the implementation of a rigid tourism development model, given the unique contextual factors and constraints, has been abortive.

Table J.4: UNDP's Involvement in Cambodia

Area	Objectives
Macro Management	<ul style="list-style-type: none"> • Support government's reform in macroeconomic stabilization, rebuilding of institutions, and re-establishing the social and economic infrastructure.
Sectoral Policy & Management	<ul style="list-style-type: none"> • Strengthen policy and management functions with the aim of improving the delivery of key public services at the grass-roots level.
Administrative Reform	<ul style="list-style-type: none"> • Structure the Royal Government and its administration including the legal system, and the ministries responsibilities; • Strengthen administration capacity; • Reform the civil services; • Develop human resources; • Redefine and strengthen the relationship between central and provincial administrations; • Downsize the public services including social safety nets and re-training schemes. .
Governance	<ul style="list-style-type: none"> • Promote human rights and democracy; • Re-install legislative and judicial institutions.
Aid coordination	<ul style="list-style-type: none"> • Promote and facilitate consensus among ministries; • Assist national institutes to mobilize, programme and implement externally

	<p>provided resources;</p> <ul style="list-style-type: none"> • Strengthen the negotiation capacity of Cambodia in international agreements; • Articulate and operationalize its mandate via CDC.
Infrastructure	<ul style="list-style-type: none"> • Rehabilitate the country and to develop local capacity for development. • Solicit bilateral and multilateral supports and gradually phase out direct assistance.
TOKEN	<ul style="list-style-type: none"> • Utilize the Khmer expertise overseas to develop local capacity.
Reintegration to the world community	<ul style="list-style-type: none"> • Facilitate Cambodia's reunion to the regional and global political and economic system.

Sources: the Royal Government of Cambodia

World Tourism Organization (WTO)

"To target the development of tourism products and the supply of tourism services towards quality with a view to maximizing economic and social benefits for destinations, consumers and the travel trade" The motto of WTO.

RGC joined WTO in 1975. Unlike other agents, WTO took a supportive role rather than a directly participating one. WTO's activities are two-folded: to promote tourism development through technical training and technical assistance; and, to a much lesser extent, be involved in development planning and projects.

Back in 1994, WTO prepared a National Tourism Development Plan for Cambodia. The project was funded by the United Nations Development Programme (UNDP) and consisted of 13 volumes. This project, together with its predecessor preparatory assistance mission, provided assistance to the Government on various aspects of tourism training, planning and management and was finalized in 1996. The plan was intended to be a comprehensive guide to both the Government and the private sector on issues related to sustainable and integrated development of tourism. Many respondents from the private sector, however, are not aware of such a plan.

WTO also organized various activities in the country to facilitate transfer of technology. For example, on 11-13 December 2000, an International Conference on Cultural Tourism³⁵⁶ was hosted by WTO in Siem Reap to discuss cultural heritage and tourism development with the mission to facilitate transfer of knowledge and to establish networks for developing tourism within and across the region. WTO has also been involved in collaborating in the formation of an Agency for Coordinating Mekong Tourism Activities (AMTA), which was proposed by the Tourism Authority of Thailand (TAT), to act as a secretariat in charge of the Greater Mekong Subregion Project.

Cambodia has been actively involved in WTO's activities. At the fourteenth session of the General Assembly, Cambodia was re-elected Vice-Chairman of the Commission for East Asia and the Pacific for the period 2001-2003, after it served as the Vice-Chairman between 1999 and 2001. Cambodia was also member of the WTO Executive Council from 1987 till 1995 and the Quality Support Committee under WTO for 1999-2003.

WTO has been extending divergent assistance and services to member states. Its influences can be expected to enhance in different domains³⁵⁷.

ESCAP

Another active UN agent is the Economic and Social Commission for Asia and the Pacific (ESCAP). ESCAP's mission is to enhance economic growth and social development among countries in the region. Guided by the mandates and directives of the commission and the UN, ESCAP is keen to promote regional economic cooperation. It stresses the pivotal role of industrial and technological development for sustaining the growth momentum in the region. An LDC such as Cambodia would have difficulties in catching up with the agenda. The Commission also recognized the key importance of infrastructure for economic growth and regional cooperation. Therefore, it initiated an action plan on infrastructure development by adopting the New Delhi Action Plan. Phase II of the action plan (1992-1996) is focused particularly on transport and communication, which are very critical for developing tourism.

Tourism became a theme on the agenda as the formation of the Working Group on the Greater Mekong Subregion Tourism Sector in April 1995. Attention and effort were invested in improving policies for tourism development in view of the socio-economic and environmental impacts. Various studies have been conducted to provide policy recommendations on cultural and environmental management. The Commission also provides advisory services and statistics to facilitate tourism development and planning in the region.

There are, however, two key concerns about the ESCAP's involvements. First, their services, especially the publications, require a certain level of tourism and / or public administration knowledge. These, however, are what most LDCs lack. In other words, there is a technical gap between the services provider and the recipients. Second, the Commission has a strong emphasis on cooperation and liberalization of economies, which might not be as desirable for LDCs.

APPENDIX K: INFRASTRUCTURES IN CAMBODIA

Basic Infrastructure and Public Services

This section reviewed a selection of infrastructure in Cambodia, which has direct implications for tourism. In LDCs, such as Cambodia, the supply of public services and infrastructures are limited and backward. This affects tourism in two dimensions. First, the lack of infrastructure affects its accessibility, security, attractiveness, and thus market potentials. Second, both tourists and the local public are subject to potential threats to their health and safety. The discussions that follow will cover areas such as: Sewage and sanitation, Water supplies; Power supplies; Communications; sports and special interest; and safety and security.

Sanitation and Engineering Services / Water supply / Sewerage, Sewage Treatment and Standards

Water, as sunshine, has been regarded as a free resource to the Khmers, traditionally and culturally (Casella, 1996). Inhabitants pump water directly from the river for domestic usage and direct raw sewage to the river or use it in vegetable gardening. For example, before the operation of a sewage treatment plant in Battambang in December 1994, raw sewage was diverted directly into Sangke River, which is a main source of local drinking water. In Phnom Penh, sewage was emptied into the Mekong, Tonle Sap River, Bassac River and the Beng Trabek Lake. The consequent intensive pollution jeopardized the natural environment and imposed serious threats to the public health. According to the World Health Organization (WHO), the vegetables watered by the polluted water are directly correlated with outbreaks of typhoid, cholera and other contagious diseases (Casella, 1996).

Although big cities, such as Phnom Penh and Battambang, have their sewage networks, they are ineffective. Most of them were built in the 1940s during the French colonial period. Due to the lack of maintenance, the damage caused by the war and the rapid growth of population, the sewage network is clogged and barely functional. “During the rainy season, streets become wading pools of water and sewage sludge” (Sundara cited by Casella, 1996). During the researcher’s visits to Cambodia, the situation still prevailed, although improvements were claimed to have taken place. The reason for the pullback of and/or slow progress in improvement projects is the lack of finances. Sundara estimated that it would require at least US\$6 million to US\$7 million to repair the pipelines in Phnom Penh. This budget is outrageously unaffordable for the Cambodian government.

With the financial assistance of US\$ 460,000 from a Dutch NGO, a new sewage plant was built for Battambang. The system is designed to filter the solids from the wastewater and then through oxidation to kill dangerous germs. Although the resulting water meets WHO’s bacterial content standards for irrigation, it is still high in nitrogen and phosphorous.

One of the main obstacles to develop any new sewage system is that users would have to pay for the service. As mentioned, water and sewage are regarded as free services in Cambodia. Refusal to pay, therefore, was virtually inevitable. In Battambang, farmers and families still pump water directly from and divert sewage to the rivers and canals. It would be a long process to educate local residents to understand and abide to this new user-pay sewage and water supply system. Meanwhile, the natural environment, local civilians and tourists would be exposed to threats related to water pollution.

Communication Systems

Communication has long been a major problem to Cambodia's development. After the war, most of the networks were either destroyed or too primitive. The Cambodian's response to a fire incident can be capitalized as an example. People would fire guns into the air as the quickest way to summon help (Johnson, 1999). Today, Cambodia has the world's highest market penetration for mobile phones. It accounts for 70% of all phones used in Cambodia. Some of the major network providers in Hong Kong, Thailand and Singapore cover Cambodia in their roaming services. Coverage, however, varies from place to place. Given the serious insufficient and inefficient telephone network in the country, mobiles offer an alternative to tourists.

Postage is very unreliable in Cambodia according to local residents, foreign investors and social workers of NGOs. Much mail was shredded and lost in the postal system. Much of the mail that did arrive had been opened and valuables looted. Another reason for the unreliable postal services is the poor and confusing address system. Other than the main boulevards, minor roads, streets and pathways are often without an identification or name. Even for an experienced postman, it is difficult to locate the exact address.

Sports and Recreational Interest Facilities

Sports facilities are primitive and scant. Although the Mekong, Tonle Sap, the coastal line and the mountain area could be utilized for sports and recreational activities, infrastructure and touristic facilities are virtually unavailable at the present stage. There are hunting activities in the country. It is illegal and not for tourists. Hotels of luxury class provide swimming pools, tennis courts and gyms to tourists. There is a fishing yard near Phnom Penh built by Taiwanese investors for tourists and expatriates. The Naga, the floating casino is the only legalized casino in Phnom Penh. It is only for the tourists. There is a bowling centre in Phnom Penh. Bars, pubs, karaoke and nightclubs can be found in main cities. Other forms of public facility are not available.

Healthcare and Policing

Given the fact that personal safety and security are the main barriers to tourists, it is critically essential to establish mechanisms to ensure security. Although it might sound fundamental, it is a far-fetching dream and a long-way from being realized. As for other areas, the lack of government financing, poverty, the twisted faith of some Cambodians, the easy access to armed weapons, the poor hygienic condition, the backward health care, transportation and communication system, corruption, and many other factors have a detrimental impact because tourists fear for their personal safety.

To protect the rights and safety of tourists, the Cambodian government was preparing its tourism law and established tourist police forces in 2000. Meanwhile, there are reports of rumours regarding demining activities. The press revealed that there have been cases of faulty reports from demining agents claiming for work that have not actually been conducted. That means, areas that have been labelled as safe is still dangerous.

Meeting and Convention Facilities

Meetings, conventions and exhibitions are potential development areas in the region. MICE infrastructures, however, are scant. Function rooms and ballrooms can be found in some hotels in Phnom Penh and Siem Reap. Large scale facilities, such as convention centre or exhibition hall is still not available. International meetings and conferences in Cambodia, subject to revenue limitations, are relatively small in scale. According to Tan

(2002³⁵⁸), a new convention centre will be built in Phnom Penh. The Cambodia Trade and Investment commenced business on 16th May 2002. These new capacious facilities will, to a certain extent, rectify the situation. Up to the cut off date³⁵⁹ for the data collection, there has been no further information available regarding this development. Another problem with the development of MICE business is the high hotel rates. Compared to those offered in neighbouring countries, such as Thailand and Vietnam, the room rate of the 4 to 5 star hotels are more expensive and the choices are more limited.

Transportation

"Accessibility is a key factor in choosing a holiday destination." (Harrison in Dieke, 2000: 45)

After the restoration of peace, tourists, businessmen and commodities flocked to this new destination. To cope with the increasing demand, the demand for effective and efficient transportation infrastructures, viz., seaports, airports and ground transportation network, is urgent. Many of the existing transportation network was developed during the French protectorate era (1863 to 1953) and under King Sihanouk's progressive infrastructure development throughout the 1950s and 1960s. The famous Kompong port, Kompong - Phnom Penh rail system, airports and seaports were built during these years. By the early 1970s, the Cambodia transportation network was fairly structured and effective, and has been claimed as one of the most sophisticated system in S.E. Asia. Civil turmoil, however, halted the development and seriously damaged the system. Most of the railroad was destroyed. Roads and highways were either blocked or damaged. The port was seriously silted. Only with the recent restoration of peace did the system see hints of improvement.

The new coalition government sees the redevelopment of the transportation network as its top priority. At the same time, the planners in the ASEAN and ADB are also keen on promoting the development of the transportation system in the Indo-Chinese region. ADB has been playing an active role by providing overall development plans and fundamental capital for related projects. Out of the hundred ADB backed development projects, 34 are transportation-specific³⁶⁰. Some of these are multilateral projects. Projects included the road (R1) that links Bangkok, Phnom Penh, Ho Chi Minh City and ends at Vung-tau; road (R9) which runs from north-eastern Thailand to southern Laos to north-eastern Cambodia till it ends in central Vietnam; and a railway line that connects Vietnam, Thailand and Yunnan of China. Smaller projects, such as minor road constructions / reconstruction and port projects have begun while more ambitious projects are still pending for a variety of reasons including political instability, a lack of financial resources, and limited cooperation between neighbouring countries are all key hurdles yet to be overcome.

Road and Bridges

"The development of the road network in Cambodia started around 1890. Most of the roads that still exist were completed 50-60 years ago and [were] built for light vehicles" The Royal Government of Cambodia.

Ground transportation in Cambodia is ineffective, unpleasant and risky (Phou, 2000; Tan, 1999; Chung, 1999; Reth, 1999). Armed fighting between combating factions and robbery remain unsolved problems. Army and police force are critically insufficient to enforce the law and to root out these illegal armed forces. Travelling in rural areas is still dangerous.

The efficiency of the road system is another major concern. Owing to the poor quality and maintenance, roads are often found blocked by landslides, huge potholes, and collapses

of the surface, and damage to the roadbeds. Most of the 15,000 km of highways and major roads were more than 50 years old, deteriorated and seriously lack of maintenance. Many of them no longer have a hard surface and are badly potholed. About 80% of the 4,000 road bridges were damaged. According to UK Chan, director of the Transport Ministry, a minimum of US\$100 million is needed to restore Cambodia's road network to its pre-civil war condition.

Table K.1: Roads in Cambodia

Road Type	(unit: km)	
	1969	1989
Paved road	2611	2600
Unpaved road	2192	1240
Soil road	na	1852
Major road	12744	7880
Total	19399	14800

Source: Wong, S.L., 1994, *Contemporary Cambodia*.

Table K.2: Major Roads

Road number	Reaches	Length
Road No.1	Phnom Penh ~ Vietnam Boundary	123 km
	~Ho Chi Ming City	240 km
Road No.2	Phnom Penh ~ Takeo	87 km
Road No.3	Phnom Penh ~ Kampot	148 km
Road No.4	Phnom Penh ~ Kompong Som	230 km
Road No.5	Phnom Penh ~ Kompong Chhnang ~ Pursat ~ Battambang	408 km
Road No.6	Phnom Penh ~ Kompong Thom	162 km
	~ Siem Reap	314 km
Road No.7	Phnom Penh ~ Kompong Cham	124 km
Road No.13	Kratie ~ Stung Treng	141 km
Road No.15	Prey Veng	
Road No.18	Sre Ambal ~ Koh Kong	119 km

Source: Wong, S.L., 1994, *Contemporary Cambodia*.

Redevelopment, inevitably, has to turn to foreign aid. For example, one of the latest developments is the Friendship Bridge over Mekong. This 1.5 kilometre long bridge was built at a cost of \$56 million with support from the Japanese government. It was expected to boost trade and improve links with Laos and Vietnam³⁶¹.

Rail Transportation

The rail system, which is operated by the Royal Cambodian Railway (CFC), consists of two single-track meter gauge with a total length of 649 km. The northern or the 'old' rail line runs from Phnom Penh through Pursat, Maung, Battambang, and Sisophon and then

leaves the country at Poipet heading towards Bangkok. The total length of this railway is 385 km. The northern line's construction in 1929 to 1943 was intended to link up Bangkok and Saigon in Vietnam. The 48 km railway from Sisophon to the Thai border was abandoned after the early 1970s and there is 15 km gap between Poipet station and nearest Thai station, Aranyaprathet. The Phnom Penh-Saigon section never materialized.

The other one was built in the 1960s with assistance from France, East Germany and China. This railway starts in Phnom Penh and ends in Kompong Som port with a total length of 264 km. Today, the rail system is still operating with the same antiquated engines and wagons, which were built in the early 1960s.

The current rail system, referred to as the *meter rails*, is backward and small engines can run on it. The original capacity of the northern line and the southern line was 30kg/m and 43kg/m with optimal loadings of 10 tons and 20 tons respectively. A significant portion of the northern line, including 46 out of the 167 bridges, suffered serious war damage and received only 'temporary' repairs. The maximum speed on this 60-year-old rail has to be restricted to less than 10km/h in critical zones. The condition of the southern line is better. Still, 15 of the 94 bridges are badly damaged. Although repair work has been undertaken, the maximum loading has been decreased to 15 tons. There is a branch line connecting Phnom Penh to a port on River Sap. Its condition is also in a critical state.

The system featured a total of 14 gares (main stations), 19 stations and three halts. CFC has 12 main line diesel locomotives, 10 steam engines, four diesel shunting locomotives and 12 passenger coaches. They are old and seriously lack maintenance.

The present service level is very low. Schedule is limited and connection is poor. It is neither discomfort nor safe to use the services. It is unknown whether it is technically feasible and financially viable to re-develop the current rail system into a scenic ride as a tourist attraction. It, however, remains a potential asset given the limited alternative transport networks in the country and the exotic beauty of the old engines.

River Transportation

River transportation has been the most important mode of transportation in Cambodia. The Mekong River and River Sap, the prime routes, run through the major inland section of the country. The total length of the two rivers is 2,399 km. 321 km of which can be accessed through out the year. Another 534 km is open to small vessels during the rainy season. There are four major river ports on the Mekong: Neak Luong, Tonle Bet, Kompong Cham and Stung Treng. There is also a major port, Prey Kdam, on Tonle Sap. All these ports together handle 3.2 million passages and over 1.2 million tons of commodities in 1988.

Silting and the changes in the water level between the rainy and dry season seriously affect river transportation. Even with the government's continuous effort in dredging the silting, most of the routing is inaccessible for more than 6 months per year. Currently, major anti-silting projects are located in Chakdomuk and Banam. An old-fashioned Danish digger with the maximum annual capacity of 400,000 cubic meters carried out most of these projects. Since digging can only be carried out in the rainy season between April and May, the current annual capacity is only around 270,000 cubic meters a year. According to local intelligence this capacity is insufficient to maintain the route.

Seaports

Kompong Som port, also known as Sihanoukville is Cambodia's only deep-water seaport. It is located in the southwest coastal zone with rail and road network connections.

The deep water inshore and natural storms shelter the merits of the port. The depth of the port is around 8.5 to 9.0 meters, which is assessable by vessels up to 10-12 thousand tons. The 693-meter long pier can berth four vessels simultaneously. This port was built in 1959 and has an annual capacity of about 950,000 tons.

Before 1990, the port was mainly open to Russian, Vietnamese and East European vessels. Today, the port has been enlarged and is open to a wide range of foreign vessels. As a rough estimation, (Wong, 1994) revealed that over 40% of the incoming vessels are from Singapore, Japan and Hong Kong. According to the government's estimates, over 80% of the containers had their origin / destination in Singapore in 1994.

The port is located 540 nautical miles³⁶² from Singapore and served as one of the most important terminals that connected Cambodia to the outside world. The port is connected to Phnom Penh by the National Highway No.4 (NH4: 226 km) and the "New" Railway line completed in 1969, via Kampot. The upgrading programme, which included a new forklift truck for container movement; repairs to the old jetty; replacing fenders; replacing navigating aids and allowing for navigation; improving container storage yard; installing area lighting to permit night working; and the constructing and repairing of the two wharfs, is mainly financed by ADB. There is another terminal, an oil terminal, about ten km north from the main port. It is connected by road (236km) and rail (253 km) to Phnom Penh. In 1994, about 60,000 cu. meters was in use and another 80,000 to 100,000 cu. meters 'may be possible to repair.' The ports are mainly for cargos and have relatively little touristic value. Although Sihanoukville has been a famous seaside resort for the locals, very limited numbers of international tourist would bother to take the trouble to go to Kompong Som. There are ferries connecting the port with neighbouring countries. The condition of the ferries and the serious over-loading make it an unfavourable mode of travelling

Phnom Penh, the capital, is another major port. This river port, at the junction of River Sap and Mekong, enters into the South China Sea. From Phnom Penh to the mouth of the Mekong is about 330km, of which about 230km is in Vietnam. In the 1960s, Phnom Penh was Cambodia's most important port with an annual transaction of over 800,000 tons. Owing to the limited depth of the riverbank, only small river vessels, not exceeding 5,000 tons in the rainy season and 2,500 tons in dry season, can enter. The goods handling capacity, however, is even bigger than Kompong Som. The daily capacity is up to 250 tons. This port is connected to other regions of the country by major roads, rails and rivers.

Water transportation in Phnom Penh is utilized for cargos and passengers. Travellers can take ferries down the Mekong to Vietnam but it is neither safe nor comfortable. Many of the ferryboats are small, old fashioned, badly maintained and most of the time overloaded.

Koh Kong is a small port only 15 km from Thailand. Vessels up to 300-ton can access but Road 43's condition is poor and inefficient. Kampot is a seaport 148km from Phnom Penh connected by rail and Road 3. Kompong Chan on the Mekong and Kompong Ampil at Takeo are much smaller river ports. Only small boats with a maximum capacity of 25-30 tons can use these ports.

Although all these ports, with the exception of Phnom Penh, are not used for touristic purposes, they do have the potential to be developed into a waterway tour. Especially given the poor conditions and maintenance of the roads, inland water could be a very attractive mode for travelling and sightseeing.

Airports³⁶³

Political instability, resources and technical capability limitations are major obstacles that hindered the development of aviation services in Cambodia. In the 1960s, there were

a total of twenty-six airports in Cambodia but only thirteen remain functional by the 1980s. Today, there are two international airports: the Pochentong International Airport in Phnom Penh and the Siem Reap International Airport in Siem Reap. The new Pochentong International Airport is in an extension programme of the old facilities. According to the airport officials, the extension/upgrading programme will continue as long as financial resources are adequate.

There was virtually no civil aviation under the Khmer Rouge. The new government re-established her international aviation connection with Vietnam and Moscow in 1990. The traffic at that time was very limited with two Soviet-built Tupolev TU134 jets and three aging Antonov Turboprops. By 1995, there were already regular flights to the country, including the Thai-controlled Cambodian International Airlines, the local Kampuchea Airlines, the Malaysian-Cambodian joint venture Royal Air Cambodge, and Dragonair.³⁶⁴ Owing to the limited number of passages, all these airlines have leverage problems.

To reiterate international access is important for the post-war Cambodian economy. The Royal Government of Cambodia, however, does not have the financial and technical competence to carry out the programme on its own. The government awarded a twenty-year concession of the Pochentong International Airport, the Kingdom's principal air gateway, located a mere twenty minutes from the centre of the capital city of Phnom Penh to the Societe Concessionnaire de l'Aeroport (SCA)³⁶⁵. This BOT contract has entrusted SCA of the design, financing, construction, maintenance and operation of the Airport. After the political turmoil in 1997, the agreement was further extended to a 25-year term.

The RGC was persuaded that international access to Siem Reap is necessary to further developing tourism. In September 2001, the Royal Government allotted another concession to SCA for the development and operations of Siem Reap – Angkor International Airport in view of the impressive growth of tourists to Siem Reap for the Angkorean monuments and to complement the airport in the capital.

In order to upgrade the two airports to meet international standards, SCA has initiated a US\$ 120 million programme for Pochentong International Airport and plans to invest up to US\$ 80 million for Siem Reap – Angkor International Airport. Upon the completion in September 2002 of the new Pochentong International Terminal, approximately US\$ 80 million would have been invested.

Pochentong International Airport

The improvement programme for the Pochentong International Airport requires a comprehensive restoration and upgrading of facilities, which included:

Runway improvements. The runway was reinforced for handling wide body aircraft, such as the Boeing 747 and the Airbus A340. Upon the completion in 2004, the extension to the 3600 meters runway could handle direct non-stop flights to/from all European capitals.

Navigation Aids and Safety. This included installation of an ILS, which guides pilots landing manoeuvres, especially under adverse visibility conditions; purchase of fire engines, X-ray detectors, handheld metal detectors; and training for security staff.

Cargo facilities. In response to the rapid growth of air cargo shipments, Pochentong's new cargo Terminal came on stream in March 2000. Qualified calibres, effective logistic procedures and system, however, are urgently needed.

Passenger Terminals. RGC has been very optimistic about the growth and development of the tourism business. They projected that a 10% annual passenger traffic growth (very much based on the results of 861.00 in 2000 compared with 738.00 in 1999) will be sustained. This makes the improvement of Pochentong's passenger terminals vital and urgent. Completed in June 2001, the new second floor hosts four new boarding

bridges. It also accommodates a VIP lounge for business and first class travellers. In September 2002, a new International Terminal will commence its services and the current one will then be refurbished and dedicated to Domestic flights. 16,200 square metres of additional space have enabled Pochentong International to receive 1.6 million passengers annually.

Currently, Pochentong International Airport employs 600 workers. A quality workforce is still in short supply. The import of labour is a temporary remedy. Human resources development is a necessity but perceived as a major challenge to the current management.

Siem Reap – Angkor International Airport

In September 2001, SCA was awarded the concession of the Siem Reap Angkor International Airport after one year of management and operation, which it subcontracted to AMS, a joint – venture between Aeroports de Paris – ADP – and Malaysia Airport Berhad.

2000, passenger traffic, inbound and outbound, totalled 344,000, which was a 71% growth over the previous year (201,000 in 1999). Another 40% growth is forecasted for the year 2001 (up to October 2001, passenger traffic totalled 358,000).

The construction of a 2000 square metres Terminal was completed in September 2002. SCA has commissioned a study for an overall refurbishment of the Airport's facilities, including the building of another new Terminal, a taxiway and the extension of the apron. The report, however, is not yet available at the time of writing of this section. Currently, the Siem Reap Angkor International Airport employs 180 workers. The quality concerns of Pochentong also apply here in Siem Reap.

New Cargo Terminal in Pochentong International Airport

The new Cargo Terminal of Pochentong International Airport was commissioned in March 2000. It is located in the immediate vicinity of the Airport zone, on the side of the Passenger Terminal apron. Transferred to SCA (Societe Concessionnaire de Aeroport)-the activities are carried out through the Airport operator CAMS (Cambodia Airport Management Services).

The cargo facilities are important to tourism for two reasons. First, it facilitated the transportation of materials and equipment for building tourism products / infrastructures. Second, cargo-handling capacity has a direct impact on trade. The lack of an effective logistics system seriously affected the development of manufacturing industries. Thus, Cambodia has to rely more on tourism for development.

Keng Kang Airport

Keng Kang Airport is located about fifteen km from Sihanoukville. The facilities and infrastructure in this airport is poor and insufficient. The runway is 1200m long and 30m wide. It was built in 1960s and has not been upgraded since then. In 1994, the government intended to refurbish and modernize this airport for promoting tourism to Naga Island. The project to develop Naga Island, however, has waned owing to the shortage of finance. The cases of Keng Kang and other airport projects verify two important propositions of the thesis. First, transportation is an important aspect in tourism development in Cambodia. The lack of transportation acts as a dead-end to tourism development. Second, external sources of financing and technical support are critical to development of infrastructure and tourism.

Air Services

Tourism development requires the expansion of airline services (Poirier in Dieke, 2000). This is particularly critical to Cambodia owing to lacking of other forms of transportation.

The financial situation of the local airlines, including the Royal Cambodian Airline (RAC), is weak. The inadequate resources limit their ability to expand and cope with crisis. The feasible alternative is to rely on foreign investment, either by direct investment into the company or an open-sky policy allowing more international airways to serve the destination. The participation of foreign capital would mean leakage in economic terms and competition might be fatal to local carriers.

The latest development in early 2002 confirmed these propositions. The RAC was forced into bankruptcy in October 2001 due to its high indebtedness, managerial problems, competition, and the 9/11-impacts on international travel. All passenger services have ceased since 16th October. China's Hainan Airlines has signed a deal with RGC and CTG Co., Ltd. in February 2002 to establish a new monopoly airline, Air Cambodia Limited. The initial capital requirement is US\$10 million. Hainan Airlines owned 49% share, the Cambodian government owns 41% by contributing market access and property rights worth US\$4.1 millions, and CTG will exchange US\$1 million worth of tangible assets for the remaining 10% stake³⁶⁶. In the early stage of this new operation, the company planned to lease two Boeing 747-400 planes, aircrew and maintenance services from Hainan Airlines. The expansion of Hainan Airlines is in line with the development direction of the China aviation industry. The main reasons for the interest in Cambodia included the monopoly protection offered by the RGC and China's central administrative approval of Cambodia as one of the seventeen destinations for tour groups by the end of 2000. According to CNTA, the market in 2001 gave a total of 12.13 million tourists. The project is awaiting the formal approval of the two governments³⁶⁷.

At the same time, EVA Air of Taiwan started to offer its services to Cambodia in early 2002. EVA flies three times a week through a code-sharing agreement with Cambodia's present airlines³⁶⁸. EVA uses a McDonnell Douglas MD-90 on wet-lease together with the crew and maintenance services from UNI Air. The aircraft can only accommodate 152 passengers in two classes. EVA has indicated its interest in promoting holiday packages to Cambodia. No material, however, has been identified during the data collection period.

The bankruptcy of RAC has a negative impact on the tourism business since the airfares of Dragon Airline are much higher. For example, the prices of tour packages have increased more than double, from what was around HK\$2000 to a figure of more than HK\$4000 in spring 2002.

Future Developments in the Transportation Sector

Financing remains one of the major barriers in future development. According to the International Monetary Fund-World Bank's estimate in October 1991, Cambodia needs at least US\$ 900 million for reconstruction³⁶⁹. The GDP in 2001 is only US\$3 billion and total exports are US\$86 million. The main sources of foreign exchange included agriculture harvest, especially rice, timber and the tourism business. Although exports of rice increased dramatically, from 565,000 tones in 1979 to 1.86 million tones in 1990, the government budget is still very tight and heavily reliant on international aid and assistance.

Another problem is associated with the shortage of technology, experience and trained personnel. The prolonged civil war has destroyed the education chain. The only feasible option is to bring in expertise from the international market place. This, too, has negative impacts, socially and economically.

Foreign investors are keen on exploiting the country. Medium to large-scale investment projects, including hotel development projects, have already been underway in view of the low operating costs, flexibility and the support of the local government. Civil disturbance, shattered transportation network, poor telecommunication and banking system, on the other hand, are just a few hurdles investors have to overcome. These foreign investments are expected not only to bring in capital for reform and development, and for the employment of local citizens, but also to bring in technology, expertise and experience to the country.

Right now, there are a number of projects planned for improving the transportation system. The first phase restoration and modernization of the Pochentong airport has been completed. Other airports are pending awaiting resources. The rail system is under restoration. It is still too primitive for efficiency. A new system has to be installed. Selected roads and highways need to be either reconstructed or resurfaced. More anti-silting works need to be done. Again, it would require a substantial amount of foreign assistance and / or investment.

With an increasing number of passengers and commodities, rebuilding the country's shattered transportation system came on top of the development agenda. On the other hand, the development of the transportation infrastructure requires the backup of other forms of infrastructures, such as power and materials supplies, human resources and most of all capital. Given the current financial situation of countries and those of the donor nations, development might be a remote prospect the moment.

Currently, the responsibility of developing and managing the transport sector falls under the Ministry of Public Works and Transport (MPWT)³⁷⁰. In the 1980s, all commercial transport with the exception of civil aviation fell under the monopoly of the state government. The decree in 1991 has allowed the private operation of transport services, which immediately attracted local investment. They were restricted only to river transport and for small sole-proprietors of ground transportation. The process of privatisation of the state-owned transportation operation is yet another area for investigation.

APPENDIX L: TOURIST ATTRACTIONS IN PHNOM PENH, SIEM REAP AND SIHANOUKVILLE

Phnom Penh

Phnom Penh, the capital of the country after they were driven from Siem Reap, was built in mid-15th century. Situated in the confluence of the Mekong-Bassac and Tonle Sap rivers, Phnom Penh is the CBD of Cambodia with a population of around 1.4 million in 2000.

The Tonle Sap and Bassac rivers define the eastern extent of the town. The city centre is around the Psar Thmei (New Market) or better known as the Central Market. Major thoroughfares including Monivong Blvd (the main commercial zone), Norodom Blvd (administrative zone) and Sothearos Blvd in Phnom Penh run from north to south. The main east-west arteries include Pochentong Blvd, Preah Sihanouk Blvd and Mao Tse Toung Blvd. Major dining areas include Little Phnom Penh, which located on an islet on the Mekong and Little Hong Kong in the sub-urban area, 30 minutes from down town.

Major attractions of Phnom Penh and the near-by region include the Cheng Ek Killing Field, Toul Sleng Museum of Genocide Crime, National Museum of Khmer Arts, Royal Palace, Wat Phnom and the Mekong folk village.

Phnom Penh was once the official gateway of all incoming flights. This arrangement is to direct and spread out tourist activities and benefits to the capital. As direct flights to Siem Reap are made available, adverse effects on the tourism and retail business in Phnom Penh were witnessed. An interview with retailers in the Central Market in Phnom Penh on 15th December 2000 revealed an unfavourable market situation. The number of tourists has fallen and so had their business. This has an important implication and that is tourists are still by large attracted by the Angkorean monuments. Many of them will select to bypass Phnom Penh if they could.

Killing Fields of Choeung Ek

About 45 minutes from down town, the killing field is a dark attraction for the capital. According to the official estimate, 17,000 victims, including 9 westerners, were massacred there. In 129 graves, 8985 bodies were found. Another 43 graves still remain untouched. Some graves are designated for children or pregnant women. Over 8000 skulls discovered in the site, have been arranged by age and gender, and are now displayed behind the glass panels of the Memorial Stature. While this site is an important historical value, the general perceptions of visitors³⁷¹ ranged from uninterested to negative. Whether it should be featured and promoted as tourist attraction is debatable.

Toul Sleng Museum (S-21 prison)

Toul Sleng Museum is another war monument. Khmer Rough transformed this high school into the S-21 prison where academics, politician, former government officers and members of the public were detained and tortured before being sent to Choeung Ek or executed on this site. S-21 was under the direct supervision of Pol Pot, and operated by a group of teen soldiers, who were trained to become killing machines. Their peers executed the majority of them before the capital was surrendered to the pro-Vietnamese faction.

Key exhibits of the museum include the torture chair³⁷² and the map of Cambodia made of skulls and skeletons. As for Choeung Ek, this site projects an unpleasant feeling.

During various visits to the museum, the researcher witnessed visitors quitting their visit halfway appalled by the exhibits. The authority has decided to ameliorate the situation by taking down the skull and skeleton map³⁷³.

Royal Palace and the Silver Pagoda

The Royal Palace, situated near the riverbank of Mekong, is still the residence of the Royal family. It is partially open to visitation. The painted corridor, the main chamber, the former administrative office of the French Protectorate which is used as a photo gallery today, and the Silver Pagoda are the main attractions inside the Palace. The general perceptions of the focus group at the Royal Palace were “not attractive,” “not much to see” and “boring”.

The Central Market

The Central market is still the most important market place in the capital city. The market itself is a historical building, which accommodates, under its roof and the surrounding open area, hundreds of small stalls. Visiting the Market can provide the tourist with a general sense about life in the capital. Yet, it cannot compare with the Grand Bazaar in Istanbul or the Water Market in Bangkok in terms of attractiveness or business potential (refer to the section on retailing for more details).

Orphanage No.1

Orphanage No.1 is not a tourist attraction. Adopting orphans, however, is a reason for many Westerners' visitation. No secondary data is available regarding this sector of visitors. A number of short interviews were conducted in Phnom Penh during the site visit in 1999. Some of the visitors or foster parents are actually influenced by word-of-mouth while many others are affected by the publicity including the Hollywood movie, “The Killing Field” and press reports related to orphans and poverty in Cambodia.

Udong

Udong was the ancient capital city for the period between the 16th and 18th century. It cannot be regarded as an attraction in its current condition. Accessibility and monument preservation are major problems. The current level of visitation is negligible.

Tonle Bati

Located in the south of Phnom Penh, the “laterite Ta Prohm Temple was built by King Jayavarman VII between 11th – 12th century, on the site of a 6th century Khmer shrine. The main Sanctuary consisted of five chambers.”³⁷⁴ Although it is anthropologically invaluable, it is regarded as a secondary attraction compared to the Angkorean monuments in Siem Reap.

Mekong Folk Village

On this island, a tiny zoo, a folk village, a BBQ restaurant and plantation were built as tourist attractions. The zoo has a few very small cages of animals. The folk village has a number of small huts where handicrafts and garment weaving were demonstrated and artefacts are for sale as souvenirs. A small open-air theatre is located next to the restaurant where folk dances were performed. Tourists can also try a 3-minute elephant ride. Once again, although it is not fair to compare it with those Thai folk villages, elephant farms and

other cultural establishments in Thailand, it is relatively backward and unattractive.

National Museum of Khmer Art

The National Museum of Khmer Art exhibits Cambodian sculptures, artefacts and heritages. The museum was initially built to provide provisional custody for recovered pieces from Angkorean Monuments. Therefore, the majority of the collections belong to the Angkorean era. Being the national museum, however, might dissatisfy some visitors owing to the lack of a fair and extensive presentation of the nation's history. Visitors can learn about some important religious tales and beliefs of the ancient Khmer, the art of the Angkorean statues and architectures. As suggested by Jutakorn (1999³⁷⁵), tourists visit a nation's national museum for more knowledge about the country and its history. The National Museum of Cambodia, therefore, needs to add to its collections and presentations.

An official guide is available to accompany visitors throughout their visit. The guides were trained for their technical knowledge and communication. The presentation of materials, however, are not very well considered or planned. Many of the sub-sections were too technical or boring for the tourist.

The small gift shop at the entrance of the Museum seems to be more attractive to foreigners, especially the Westerners. On the street adjacent to the museum were situated a number of shops selling replicas and artefacts as souvenirs.

Kirirom National Park

Kirirom National Park is located 90 kilometres northwest of Phnom Penh. It is not yet a tourist attraction. The road runs through various fruit plantations. The old palace was located on the top of the hill. It was completely destroyed by the Khmer Rouge. A restaurant and a hotel still operate there.

Bokor Hill Station

"The old French hill station" of Bokor (elevation 1080m) is known for its cool climate, secluded waterfalls and jungle vistas. "The place has a ghost town feel and the old Catholic Church looks like it was locked up only a few days ago. The old hotel and casino, the Bokor Palace, are straight out of "The Shining", and if you walk to the edge of what was once a terrace you will be rewarded with a magnificent view over lush jungle stretching almost to the sea."³⁷⁶ The Ministry of Tourism had a plan to redevelop this hill station for tourists. No implementation has yet been witnessed.

Siem Reap

Siem Reap has registered rapid tourism growth since the restoration of peace. The Angkorean monument, as one of the seven wonders of human civilization, is the single most important motive for international visitations. The great lack of facilities, especially hotel rooms, presented an obstacle but also offered an attractive opportunity for investors looking for a quick return. The local town of Siem Reap, which is five kilometres south of the Angkor Wat, had a population of 45, 000 in 1995. Its infrastructures were dilapidated and backward (Wager, 1995:516).

Angkorean Monuments

The majestic group of temples and monuments located in the province of Siem Reap, north west of Cambodia, belongs to the Angkorean era of the Khmer civilization. The

monuments were built between AD 802 and AD 1432. The perfection and enormity of their architecture, the perceived difficulties faced in construction, the mysterious image and setting in the natural rain forest has made this temple-city a top-notch attraction. The area is now under APSARA's conservation. Foreign governments, such as Japan, France and China, have funded various projects for restoring some of the major monuments. The whole collection of ruins, covering an area of four hundred square kilometres, consists of more than two hundred and fifty monuments, more than two dozen major temples and a large number of pools, canals, library and towers. Major attractions include Angkor Wat, Angkor Thom, the Bayon temple, Bateay Srei, Baphoun, the Terrace of the Elephants, the Terrace of Leper King, and Ta Prohm.

Many walls inside Angkor Wat are covered with sculptures and carvings, which have recorded the history of the Angkorean Empire and the myths of Hindu mythology. On the colonnaded gallery on the first level of the Angkor Wat, there is over a mile of six-foot-tall sculptures³⁷⁷. It is the largest, most complete and important iconographical record of Hinduism. The carvings within the complex also feature part of the history of the Angkorean Empire.

In the early 1970s, French restorers dismantled the roof of the temple for restoration projects. The work, however, was halted owing to the civil turmoil. The interior of the temple and the large amount of carvings were exposed to weathering and erosion for more than twenty years.

In order to have a better sense about how well and to what extent tourists know about the monuments and the relevant history, a small-scale research was conducted in Phnom Penh and on-site in the Angkorean monuments. Interviews were conducted to solicit tourists' inputs. Owing to the exploratory nature of the study, the result is not representative. Out of the 75 tourists being interviewed, 27 had never heard of Angkor Wat before they decided to visit the country. Slightly over half of them did not know it was related to religion. Over 75% did not know its historical background.

The result revealed that most of the visitors have limited knowledge about the monuments³⁷⁸, which are the major attraction of the country. This lack of knowledge might eventually affect the level of satisfaction. Although a large collection of books and literature is available for sale at the site and throughout the country, leaflets and tourist brochures were not available. According to Jutakorn (1999), this will seriously affect the tourists' level of appreciation of the attractions.³⁷⁹

The study then turned to the messages on various travel document sources. Bulk volumes of materials were collected both locally and from overseas. The content of these materials revealed that the group of buildings, statues, crafted walls and landscapes were illustrated prominently but very little information was given about their history and cultural importance. In some of the books, a large proportion of the content material was delegated to the discussion of the Hindu gods and Buddha and the stories about them but little about the construction of the sites, by whom, for whom, and at what cost or of the historical values.

Regarding the quality of tourist guides, comments varied considerably. According to Arora (1999) and comments from local ground operators, the quality of the guides in Siem Reap is far from satisfactory. In order to have a better picture about the situation, the researcher visited the sites, including Angkor Wat and Angkor Thom, in 1999 and 2000 and experienced different forms of guide services. There were two kinds of guide operating in the area. One is the professional tourist guide who worked for travel agents while the other type are amateurs, mostly teenagers and children, who will show you around, suggesting particular places for photo taking and tell you folk tales and stories. Results of the subject site visits did not concur with the comments from Arora and some other respondents.

While the overall service quality of these two forms of guides is not wholly satisfactory, the results suggest that the service quality is very variable by the quality of the guide, in particular his/her knowledge, presentation skill and personal charisma.

Sihanoukville

Sihanoukville is the major seaside resort. The French developed it as a colonial retreat for the elite. The most famous Kep Resort was located on a small headland. It was founded in 1908 and is still crowded during weekends. Although it has tourism potential, it is hampered by the poor accessibility. As the only coastal exit from the country, the government does have plans to develop Kampot, Sihanoukville into a modern commercial port.

The transportation network to Sihanoukville is backward. Although it is only about 200 kilometres from Phnom Penh, the journey takes more than four hours. The un-surfaced, potholed road will definitely give tourists an unpleasant off-road experience.

Sihanoukville is faced with the same problems as for Phnom Penh and Siem Reap with the additional obstacle of lacking any publicity. The Cambodian Ministry of Tourism, taking into account its stage of readiness and the resources constraint, has given Sihanoukville a lower priority for development. By the end of 1999, there is still no supply of international quality hotel rooms. Touristic attraction is limited. It is currently one of the most popular destinations for domestic travellers. The place can be a perfect hide-away destination for some backpackers or developed as the base camp for accessing the Cardamom Mountains range and Naga Island.

Other Touristic Supplies

Wager (1995) described the situation of Siem Reap in 1994 as generally lacking every critical supply in the tourism sector. He contended that the facilities were largely destroyed; the highway required major reconstruction; visitor circuits needed redesigning; toilet facilities were absent and sales of refreshment and souvenirs rudimentary; there was no local museum, no on-site interpretation, technical knowledge and the language skill of the guides were incompetent; and conservation works were on a small scale. Although the situation has been improving since then, the progress is small and slow. Many basic facilities are still lacking; tourists' security cannot be ensured; human resources are still in shortage; the law still lacks enforcement; and infrastructures including transportation and hotels are still urgently needed for advancement. The paucity of local capital is obvious and locals are still difficult to mobilize. The government, therefore, has to play a stronger role in determining the future development of the Cambodian tourism business and to coordinate the various stakeholders. The weak financial position of the government, the over reliance on foreign aid and assistance, the highly corrupted government bureaucracy, the ineffective education system, and other constraints have the government constricted and restrained in both the depth and width of its involvements.

APPENDIX M: THE NATIONAL ARCHIVES OF CAMBODIA

The single largest establishment of a database is the National Archives of Cambodia (NAC). Since its establishment in 1995, it has been actively collecting and processing (arranging and conserving) its holdings. After receiving US\$25,000 financing from the Japan Foundation Asia Centre in 2000, NAC decided to set up a microfilming centre. Progress has been languishing for training and equipment. This, in fact, confirmed Cambodia's heavy reliance on foreign aid and support. Yet, aid projects are not always effective and efficient. Up to the publication of the 1999/2000 annual report of NAC, they are still awaiting new information, advice and test results before they can sort out the mode of storage for the microfilms. There is no particular reason for the selection of microfilm rather than digital files, especially when the NAC's ultimate goal is to bring the materials onto the Internet for public assess. The researcher suspects it has been the preference of the donor rather than the actual needs of the NAC and users of the information.

There are, currently, six main groups of records in NAC: the documents of the Resident Superior of Cambodia, Publications relating to Cambodia, newspapers, Sangkum Reastr Niyum photographs, official journals, and post 1979 archives. The usage rate has been low. According to NAC's 1999/2000 annual report, user number was only 189.

Table7.1: Collections at NAC

Titles	Period covered	Number of files as at 2000
Documents of Resident Superior of Cambodia	1863-1954	<ul style="list-style-type: none">• 30,000 in 2000
Publications relating to Cambodia	1900-1990	<ul style="list-style-type: none">• 2200 titles
Newspapers	1925-1999	<ul style="list-style-type: none">• Over 13,400 issues of newspapers from over 117 newspapers.
Sangkum Reastr Niyum photographs	1950s-1960s	<ul style="list-style-type: none">• 9 archival albums consisting 296 titles of 2140 photographs.
Official journals	1654-1995	<ul style="list-style-type: none">• Bulletin Administratif du Cambodge (1902-1949): over 500 issues and 71,000 pages;• Reachkech (1911-1973);• Journal Officiel du Cambodge (1945-1972): about 2000 issues and over 91,000 pages.
Post 1979 archives	1979-1991	

ABBREVIATIONS

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
AIA	ASEAN Investment Area
AIT	Asian Institute of Tourism
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASTA	American society of Travel Agents
BLDP	Buddhist Mine Action Center
BTTI	Board of Travel and Tourism Industry
CDC	Council for Development of Cambodia
CEPT	Common Effective Preferential Tariff scheme
CGEM	Computable general equilibrium model
CICP	Cambodian Institute for Cooperation and Peace
CIE	Centre for International Economics
CMAC	Cambodian Mine Action Center
CPP	Cambodia People's Party
CPU	Cambodian Prostitution Union
EA	Environmental auditing
EASMAT	East Asia Multidisciplinary Advisory Team
ECTWT	Ecumenical Coalition on Third World Tourism
EMS	Environmental management system
EQS	Environmental quality standards
EPS	Environmental performance standards
ESCAP	UN Economic & Social Commission for Asia & the Pacific
FDI	Foreign Direct Investment
FUNCINPEC	National United Front for an Independent, Netural, Peaceful, and Cooperative Cambodia. Political party lead by Prince Ranariddh
GAIUOTO	General Assembly of the International Union of Official Travel Organisations
GATT	General Administration for Travel and Tourism (China)
GDP	Gross Domestic Product
GMS	Great Mekong Subregion
GSIS	Government Service Insurance System
ILM	International labor migration
ILO	International Labor Organization
IMF	International Monetary Fund
KPRP	Kampuchea People's Revolutionary Party, a Vietnamese supported political party, which incharge of the national government from 1979-1991

LDC	Less Developed Country
MOL	Ministry of Labor
MOT	Ministry of Tourism
NGO Forum	A Cambodian organization established in view of coordinating aid and activities of foreign NGOs
NIS	National Institute of Statistics (Cambodia)
NPRD	National Programme to Rehabilitate and Develop Cambodia
NTB	Non-tariff barrier
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PACOM	Pacific and Asian Congress of Municipalities
PATA	Pacific Area Travel Association
PTA	Preferential Trading Arrangement
RCAF	Royal Cambodian Armed Forces
SOE	Stat-owned enterprises
SOE report	State of the environment report
SSTC	Skill standards testing and certification
TDC	Tourism Development Corporation
TEN	Tourism Ecumenical Network
TGG	Tourists Generating Regions
TRG	Tourists Receiving Regions
TVE	Township and Village Enterprise
UNCHR	United Nations Center for Human Rights
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNDP	United Nations Development Projects
UNESCO	United Nations Educational Scientific & Cultural Organization
UNRISD	United Nations Research Institute of Social Development
USAID	U.S. Agency for International Development
UNTAC	United Nations Transitional Authority in Cambodia
WTO	World Tourism Organization
WTOTC	World Tourism Organization Training Center

GLOSSARY & KEY DEFINITIONS

A

Afforestation	The programme revitalizes or re-develops forest by plantation.
Angkor Wat	<p>Angkor Wat is the most famous and important temple in the country. It is also the most attractive heritage of the whole group of Angkorean monuments. King Suryavarman II built it in 12th century over a period of 30 years. The construction and maintenance costs were so immense that it became part of the underlying causes for the decline of the Angkorean Empire.</p> <p>“Like many other Khmer temples, Angkor Wat was built as architectural allegory of the Hindu religion. The central tower stands for Mount Meru, the centre of the universe according to Hindu mythology; the top of Mount Meru is considered the home of gods.</p> <p>The temple ground is surrounded by a wall and a moat, not only for demarcation purposes, but also because in Hindu mythology Mount Meru is surrounded by other mountain ranges and oceans.</p> <p>The main entryway to Angkor Wat is street of roughly held a kilometer length, ornamented with balustrades and fringed by artificial lakes, so-called Barays. The entryway resembles the rainbow bridge in Hindu mythology, the link between heaven and earth, to the realm of the gods and the realm of the mortals.</p> <p>Angkor Wat is in better structural condition than many other temples on the Angkor plain because it has been converted into a Buddhist temple probably even before the Siamese conquest in 1431, and because it has been used as such continuously after (in the 13th century Buddhism became an important religion in originally pure-Hindu Angkor).”¹</p>
Apsaras	Divinity in the Hindu religion. Apsara is largely utilized as logo and name for branding in Cambodia

B

Baphuon Temple	<p>“The Baphuon Temple was constructed as the principle temple in Udayadityavarman II’s new city and was used to house his royal linga. It was the largest pyramid temple to be constructed at the time, and it demonstrated the king’s desire to build a larger temple than his predecessor did.</p> <p>The Sanskrit inscriptions found on the temple say that it was “a good temple on a gold mountain,” and the Chinese chronicler, Chon Ta-kuan, said the central tower of the Baphuon was made of copper. This tower once stood 142 feet high, but its summit is not gone. It may well have been covered with copper or gold and would have been a spectacular sight as the sun went down.</p>
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¹ http://www.cockatoo.com/english/cambodia/cambodia_angkor.htm

	<p>The most impressive feature of the Baphuon is the fine sculpture on the lintels, doorframes and columns. Many tales from the Mahabharata and Ramayana are told in the superb bas-relief carving. The sculptural style is possibly the most beautiful surviving in Angkor, perfectly executed without being overly ornate. These carvings have a more restrained style than the work that was completed later. On the west side of the temple, a reclining Buddha, 120 feet long, has been sculpted out of the wall; today it is only partly visible because of the mass vegetation, which has grown over it.</p> <p>Only three steep massive terraces and some superstructures remain. The towers and galleries are gone. The Baphuon was too big, and was built on an earth mountain. After the earth subsided, the temple slipped and cracked. However, the remains give an impression of its former size and are home to some of the most beautiful of Khmer sculpture.²”</p>
Barays	Canals used for irrigation purpose and water supplies during the Angkorean era.
Bas-relief carving	A way of carving art on a straight or curved surface in which the figures and sculptures project from the background.
BOT	Built-Operate-Transfer mode of development.

C

Corbelled Arch	A false arch often used in Khmer architecture. Corbels, or jutting stones, project from opposite walls of that they meet at the top to form an arch. ³
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D

Deagrarianization	The process of an economy shifting away from agriculture.
Deforestation	The process of reduction of scale and size of forest

E

Empowerment	The provision of enablers to target(s) for specific purposes. Enablers included education, training, financing, political power and authority.
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G

Groups of Buildings	“Groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of outstanding universal value from the point of view of history, art or science.” (Tourism at World Heritage Cultural Sites: The site manager’s handbook, ICOMOS, 1993)
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H

Hindu	"While for other human beings" - we are told by Sylvain Levi - "senses are witnesses that provide unquestionable assurance, for the Hindu they are but the masters of error and illusion.... The vain and despicable world of phenomena is ruled by a fatal and implacable law - each act is the moral result of a series of immeasurable earlier acts, and the point of
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² <http://angkorwat.org/angkor/htm/L3304.html>

³ <http://angkorwat.org/angkor/htm/g09.html>

	<p>departure for another series of immeasurable acts which will be indefinitely transformed by it... Life, when so considered, appears as the most fearful drudgery - like an eternal perpetuity of false personalities. to come and to go without ever knowing rest. So the sovereign perhaps then became none other than the Deliverance, the sublime act by which all causative forces became eliminated, and which ceased once and for all for a system given the creative power of the illusion."</p> <p>Such is the framework in which the two main Indian religions, Brahmanism and Buddhism, were to develop. Introduced to Cambodia it would seem evident that in their transcendent form they could only touch elite, and were never to penetrate to the masses. The crowds, when admitted to enter the temples, came not in order to worship some or other god of the Hindu pantheon, but rather to prostrate themselves before their duly deified prince or king. ⁴</p>
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I

Indo-China	Indo-China refers to the region that consisted of Vietnam, Cambodia, Laos, and Thailand. The name "Indo-China" is believed to the large extends of influences of India and China.
Indravarman I's irrigation system	<p>"The region was naturally irrigated to some extent by the great lake near the city. In June when rainy season was at its height, water flowed down the Mekong River to its tributaries in the south. Because of the excess water in the silted up tributaries, it flowed back up to fill a large depression in the land formed when the area lay below sea level millions of year ago.</p> <p>This lake conserved water that irrigated the land during the dry season. However, to support the vast number of courtiers, councilors, slaves, concubines, administrators and nobility who made up the royal court, a more extensive irrigation system had to be developed.</p> <p>Indravarman I, who ruled Cambodia from around AD807 to around AD 889, was the first to set up this irrigation system. It enables the Khmers to have a densely populated capital in a small area from which they ruled their empire. He built reservoirs, called barays, and from these a system of canals was developed which ran through the city to the farms in the surrounding areas. Through this irrigation system, up to three rice corps could be grown each year to feed the population of Angkor.⁵"</p>

K

Khmer	The major ethnic group and the official language of the country.
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L

Laterite	A kind of red stone used for the construction of the Angkorean monuments. It will form a very hard material when dried. However, it is not a good material for carvings.
Linga	
Lintel	The top part of an entrance spanning the doorway. It is often decorated with carvings ⁶ .

⁴ http://ourworld.compuserve.com/homepages/nilstremmel/book/guide_title_block.htm

⁵ <http://angkorwat.org/angkor/html/L3208.html>

⁶ <http://angkorwat.org/angkor/html/g19.html>

M

Mahabharata	"An epic Hindu poem written between 400BC and AD200 ⁷ .
Monuments	"Architectural works, works of monumental sculpture and painting, elements or structures of an archeological nature, inscriptions, cave dwellings and combinations of features, which are of outstanding universal value from the point of view of history, art or science." (Tourism at World Heritage Cultural Sites: The site manager's handbook, ICOMOS, 1993)
Mount Meru	The scared land in the Hindu mythology

N

Nagaraja	A divinity in the legend, the sovereign of the land.
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P

Pchum Ben	The festival of the dead. An important event on the Buddhist Calendar. Normally, families will pray and make offers to temples and / or at pagodas to appease the restless spirits of their ancestors.
Phnom Penh	<p>"Phnom Penh is situated at the confluence of the Tonle Sap and Bassac rivers with the Mekong. It was founded as a small monastery in 1372 by a rich Khmer woman Penh, after she had found four Buddha statues in a tree trunk on the banks of the Mekong. She set up the monastery on a hill near the bank of the Mekong. The Cambodian word for hill is Phnom. The name of the town correctly translates as Hill of Penh.</p> <p>Rather significantly Phnom Penh's history is founded on an episode, in which the Buddhist religion played a part, contrary to the Khmer capital of that time, Angkor, which was shaped, and literally so, by Hinduism. Nevertheless, Buddhism, since the beginning of the 13th century, becomes the dominant religion. (In Southeast Asia, both religions are entwined to a much higher degree than first appears to be the case. For instance, numerous Buddhist temples in Thailand house altars of Hindu deities, especially Brahma, and the details of the royal ploughing ceremony in Bangkok are determined by Brahman, not Buddhist, palace priests... just like Thai coronation modalities).</p> <p>In 1434, after the Siamese conquest of Angkor in 1431, the Khmer nobility unwilling to submit to Siamese overlords fled from Angkor and established Phnom Penh as the new Khmer capital, just 64 years after the Buddhist monastery had been founded on Penh Hill. However, the Khmer never succeeded in setting up a new kingdom to come close to the glamour of Angkor.</p> <p>In fact, for a long period the Khmer kingdom centered in Phnom Penh was not a sovereign country but alternatively a satellite state of, or directly ruled by, the Vietnamese or the Thais. For more than 400 years - until the French made Cambodia their protectorate - the art of politics in Phnom Penh was just an exercise of balancing between the two powerful neighbours.</p>

⁷ <http://angkorwat.org/angkor/html/G20.html>

On April 17, 1864, the Cambodian king Norodom accepted for his country the status of a French protectorate. King Norodom expected the French to protect Cambodia from the neighbouring countries Siam (Thailand) and Vietnam.

However, the French protectors did not prevent politically strong Siam from temporarily annexing western parts of the country, including the town of Battambang. Nevertheless, by recognizing the French rule, King Norodom preempted moves of Siam and Vietnam to divide his country between them. In past centuries, the loss of territory to Vietnam had been more significant. The Mekong delta and the entire present South Vietnam had been settled by Cambodians until well into the 18th century.

During almost 90 years of colonial rule, the French reshaped and extended Phnom Penh according to their architectural style. They built broad boulevards and the city received a touch of Mediterranean atmosphere.

During the Vietnam War, the city grew to more than 2 Million inhabitants, creating an atmosphere of an overcrowded refugee camp rather than a French metropolis.

On April 17, 1975, 20 years after the end of French colonial rule, the Khmer Rouge marched into Phnom Penh. Within weeks the city was emptied, its population forced into provincial labour camps; Phnom Penh became a ghost town.

After an increasing number of incidents at the Cambodian-Vietnamese border, Vietnamese troops move into Cambodia and on January 7, 1979, take Phnom Penh. Since then, many of the city's former inhabitants have returned, and new folks have arrived. The city now, once more, counts over a Million inhabitants.

Since the signing of the Paris Peace Treaty in 1991, Phnom Penh experienced a great economic boom, despite the civil war still smoldering in far-off parts of the country. Although streets and canalization - destroyed by the Khmer Rouge - are not yet fully repaired, a large number of modern hotels have been built.⁸

Other attractions included:

⁸ http://www.cockatoo.com/english/cambodia/cambodia_phnom.htm

⁹ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction.htm

¹⁰ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_choeung.htm

¹¹ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_royal.htm

¹² http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_national.htm

¹³ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_ounalom.htm

¹⁴ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_wat.htm

¹⁵ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_langka.htm

¹⁶ http://www.cockatoo.com/english/cambodia/cambodia_phnom_attraction_tumpong.htm

	<p><i>Tuol Sleng Museum</i>⁹</p> <p>The Museum of Genocide, the former Tuol Svay Prey gymnasium at the 103rd Street, close to the corner of 350th Street. After April 17, 1975, when the Khmer Rouge took the capital, the school buildings served as Security Jail 21 where thousands of people were systematically tortured. Many died during the torture and more than 20,000 people were brought from the jail to the Choeung Ek execution area, where they were murdered and thrown into mass graves. Only seven of the prisoners survived: sculptors who had to produce busts of Pol Pot.</p> <p><i>Choeung Ek Execution Area</i>¹⁰</p> <p><i>Royal Palace & Silver Pagoda</i>¹¹</p> <p><i>National Museum of Arts</i>¹²</p> <p><i>Wat Ounalom</i>¹³</p> <p><i>Wat Phnom</i>¹⁴</p> <p><i>Wat Lang Ka</i>¹⁵</p> <p><i>Wat Tuol Tum Pong</i>¹⁶</p>
Preah Thong	Prince of the ancient Hindu, son of Delhi. He married the daughter of Nagaraja, a "female serpent-woman". Nagaraja draining the land by drinking the water that engulfed it, gave him the new country, called it Kambuja and built him a capital. (local legend)
Pro-poor	The strategic orientation for the alleviation of poverty

R

Rama	Vishnu in an earthly form.
Ramayana	The greatest romantic epic in Hindu about the story of Rama and Vishnu.
Ravana	A demon characterized with many heads and arms.
Riel	The official currency of Cambodia.

S

Sanskrit	The ancient language of India and literary language of Hinduism (Oxford advanced learner's dictionary of current English). It formed a basic part of the Khmer language.
Sita	Wife of Rama
Sites	"Works of man or the combined works of nature and of man, and areas including archeological sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological points of view." (Tourism at World Heritage Cultural Sites: The site manager's handbook, ICOMOS, 1993)

T

Third Sector	Third sector composed of non-profit, voluntary, non- or quasi-governmental organizations, including charitable institutions, churches, and community associations (Laville, 2000; Gidron, Kramer and Salamon, 1992; and Badelt, 1990).
Touristic product	Product designed and produced specifically for tourists' consumption

U

Urbanization	The process of development in an urban setting/design.
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V

Vasuki	A Hindu creature: the giant snake.
Vishnu	A Hindu god: god of harmony and order.

W

WTO	<p>World Tourism Organization is an intergovernmental organization entrusted and financially supported by the United Nations. Through the promotion of tourism to stimulate economic development, fair distribution of wealth, creation of job, cure poverty, promote peace, anti-discrimination and understanding among nation is the main objectives.</p> <p>In 1999, there are 138 members and 350 affiliate members.</p>
#Cambodia	<p>An interactive Internet Relay Chat (IRC) channel on EFNET IRC servers. It is designed to promote on-line communications between Cambodian resided all over the world. It was formed in 1993. For further details, please refer their web site: http://www.camweb.org/</p>

Z

Zoning	The process of development that prioritizing in accordance to geographic definition.
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³⁴² Ringer 1998: 103

³⁴³ UNRISD monograph (1994). Between Hope and Insecurity: The Social Consequences of the Cambodia Peace Process

³⁴⁴ Santhor (2000). U.N.: Suffering from its own viruses, Deja.com, February 13, 2000.

- 345 There was serious competition and confrontation between the two Prime ministers, H.R.H. Prince Norodom Ranariddh and H.E. Mr. Hun Sen. The confrontation was settled with the Coup d'état in 1997, which was initiated by Hun Sen against Ranariddh. Hun has centralized most of the authority since then.
- 346 Personal communication.
- 347 Personal communication.
- 348 Personal communication.
- 349 "The General Assembly involved the four nations, each sent a delegation led by a plenipotentiary appointed for technical as well as political skills. His task was to promote, coordinate, supervise, and control the planning and investigation of water resources development projects in the Lower Mekong Basin." Nguyen (2000:55).
- 350 Kong Somol expressed his concern about food supply in Cambodia without an effective irrigation system. There is less than 7% of the farmland (rice field) irrigated. More than 85% of the agricultural production relied on irregular rainfall and the water of Tonle Sap.
- 351 Retrieved from WWW: [Http://www.aseansec.org](http://www.aseansec.org)
- 352 The conflicts and potential conflicts among nations over the dispute of the Spratly Islands in the South China Sea is an underlying threat to the regional stability and peace.
- 353 Cambodia formally became member to ADB in 1966.
- 354 Asian Development Bank, Cambodia Fact Sheet. Retrieved on June 29, 2002 from WWW: at http://www.adb.org/documents/Fact_Sheets/CAM.asp?p=ctrycam
- 355 Ibid
- 356 According to WTO, it is the first time that they organized an international event of this kind in the Asia-Pacific region. It is also the first critical event being organized in Cambodia. The Conference emphasised that local communities should be involved in the planning of tourism and that training programmes be introduced on a continuous basis so that local people are able to upgrade the quality of their arts and crafts. Furthermore, education and training of young people are vital to the success of tourism in general and cultural tourism in particular and should be interdisciplinary, customer-focused, and experienced-based. The Conference was attended by approximately 80 participants from 27 countries. Technical presentations were delivered by Austria; China; Egypt; Islamic Republic of Iran; Japan; Republic of Korea; Thailand; Sri Lanka; and, UNESCO. The researcher is also an invited speaker at the event. With the full support of MoT and the First Prime Minister, the event has been more successful than a prior event organized by UNESCO in Phnom Penh. The effectiveness in terms of transfer of knowledge, however, is virtually unknown. Although most of the Cambodian participants showed enthusiasm during the event, their response to the researcher's correspondence afterwards has been discouraging.
- 357 Although WTO is designed for the promotion of tourism development, it has its position and function in the process of globalization/modernization. WTO is an observer to the World Trade Organization on issues regarding trade in tourism services, in particular in connection with a proposal to introduce an Annex on Tourism to the General Agreement on Trade in Services (GATS). In other words, WTO is in the process of becoming a member of the World Trade Organization. As a matter of fact, WTO hosts a Working Group on Liberalization. In cooperation with the United Nations Conference on Trade and Development (UNCTAD), the Organization is planning to publish two data bases. They are about commitments entered into the GATS under "Tourism and Travel Related Services" measures affecting trade in tourism services.
- 358 Communication with Cherie Tan on 1st and 9th April, 13th May, 2002.
- 359 31st December, 2001 is the cut off date for data to be included in this thesis.
- 360 Anonymous, Roads over rail, *Business Asia*, 28(14): 4-6, July 15, 1996
- 361 Global Development Briefing on December 7, 2001.
- 362 1000 km (1 nautical mile = 1.852 km)
- 363 A major source of information for this section is based on input from Ms Cherie Tan of Cambodia Travel Online Company.
- 364 Anonymous, Country overview, *Asiamoney (Aviation Guide)*: 2-22, Jul/Aug, 1995
- 365 SCA is a joint venture of the Groupe Vinci of France (the world leader in construction and associated services) holding 70% of shares. The Malaysian and Cambodian owned Muhibbah Masteron Cambodia owns the other 30%. The daily operations of the airport are managed by Aeroports de Paris (ADP) in partnership with Malaysia Airport Berhad.

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- ³⁶⁶ SCMP.com (2002). 27th February, 2002
- ³⁶⁷ Although the official cut-off date for data collection is 31st December 2001, information for this section extended beyond this time frame till end of March 2002.
- ³⁶⁸ Anon. (2002). Rolling Pin International, February, pg. 11.
- ³⁶⁹ Hiebert, M., Cambodia: A basket Case, Far East Economic Review, 154(45): 30, 32. Nov 7, 1991
- ³⁷⁰ The Ministry was formed in late 1993 through the amalgamation of the former Ministry of Public Works and The Ministry of Transport.
- ³⁷¹ group interview conducted in Cambodia in 1999.
- ³⁷² The torture chair featured a drill which used to drill into the back of the prisoner's head till he confessed and died
- ³⁷³ According to various informants, it is still quite horrific with the rest of the exhibits.
- ³⁷⁴ Retrieved from WWW:
<http://www.tourismcambodia.com/tourop/mtours/tourprog/itinerary/optpnh.htm>
- ³⁷⁵ Mr Suwat Jutakorn was a representative from the Tourism Authority of Thailand. His comments were collected after a technical tour to the museum in an in-depth group discussion in Phnom Penh in December 1999.
- ³⁷⁶ Retrieved from WWW:
<http://www.tourismcambodia.com/tourop/mtours/tourprog/itinerary/bokor.htm>
- ³⁷⁷ Retrieved from WWW: <http://angkorwat.org/angkor/html/l3213.html>
- ³⁷⁸ As revealed in focus group C and D.
- ³⁷⁹ Mr Suwat Jutakorn is the director of the Hotel and Tourism Training Institute, Tourism Authority of Thailand. His comment was collected in a discussion section conducted in Phnom Penh on December 8-9, 1999.